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ABSTRACT

To augment the Pennsylvania Association of School Business Officials in the establishment of the highest standards and practices in school business administration, this manual provides an evaluation instrument of school business functions. Each of the 18 self-evaluation chapters is structured to be used independently and may be utilized in any sequence. Each item is set forth as a positive statement with a positive response expected to indicate completion or compliance. In addition, the evaluator may indicate a negative response or note that the statement is not applicable. Each statement also contains a citation to a reference source and a one-line comment space. Finally, each section of evaluation statements is preceded by a one-page summary of the topic. The chapter topics are as follows: (1) Budget and Financial Planning; (2) Accounting; (3) Auditing; (4) Debt Management; (5) Cash Management and Investments; (6) Purchasing and Supply Management; (7) Student Activity Funds; (8) Disposing of Surplus Property; (9) Food Services; (10) Supervision of Support Personnel; (11) Transportation of Pupils; (12) School Plant Planning and Construction; (13) Operation and Maintenance of Plant; (14) Personnel Management Records; (15) Risk Management; (16) Board Policies and Administrative Procedures; (17) Data Processing; and (18) Retention of Records. (MLF)

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PENNSYLVANIA ASSOCIATION
OF SCHOOL BUSINESS OFFICIALS

AFFILIATED WITH ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

SELF-EVALUATION MANUAL FOR SCHOOL BUSINESS MANAGEMENT

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
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FOREWORD

The Pennsylvania Association of School Business Officials (PASBO) is a professional association affiliated with the Association of School Business Officials International. The primary objective of the association is to encourage the establishment of the highest standards and practices in school business administration.

An essential component in the development of strategies to improve school business management in a particular environment is the evaluation of existing operations. The results of a comprehensive evaluation of a school business function thus provides the necessary foundation to effect needed change.

An alternative outcome of the evaluation process may be the identification of an exemplary management practice that may be exportable to other school entities. Yet, no comprehensive instrument of evaluation has been developed to help make the business aspects of school operations more efficient and effective in support of educational programs.

This void has made the improvement of school management practices a singular effort in each school entity in the absence of a comprehensive framework for evaluation. To remedy this deficiency, the PASBO Board of Directors has approved a self–evaluation instrument that was developed by a task force of school business officials.

PASBO strongly encourages the use of the self–evaluation instrument to identify and maintain the strengths of the business areas of school systems and to develop realistic plans for their improvement.

Denny G. Bolton, PRSBA
Chairperson
Task Force for Self–Evaluation

ACKNOWLEDGEMENT

Appreciation is extended to members of the special PASBO Task Force for their effort and commitment in the development of a self–evaluation instrument for use by Pennsylvania school entities.

The effort to develop a self–evaluation instrument was initiated in July 1986 as a component of the Long Range Plan adopted by the PASBO Board of Directors. Committee members were selected for their particular knowledge and expertise in a functional area of school operations.

The members appointed to the task force by President Richard L. Learn, PRSBA, are listed below. Each is recognized for his/her contributions to the completion of the project.

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INTRODUCTION

The Self-Evaluation Manual is organized substantially in congruence with the chapters published as part of the Series on School Business Administration (SBA). The self-evaluation documents are thus conceived to provide a mechanism to operationalize and to compliment the materials published in the SBA Series.

Each of the self-evaluation documents is structured to be used independently. Therefore, documents may be utilized in any sequence based on unique needs and to reflect individual school entity priorities.

Each item in the self-evaluation document is set forth as a positive statement with a positive response (Y) expected to indicate completion/compliance. In addition, the evaluator may indicate a negative response (N) or that the statement is not applicable (NA). Each statement also contains a citation to a reference source, if appropriate, that should be available in the school entity. There is also a one line comment space provided for discretionary use. Finally, each section of evaluation statements is preceded with a one page summary of the topic. The purpose of the summary is to provide a brief introduction to the section and to establish, in a broad sense, the boundaries of the evaluation statements.

The following standard reference designations have been used throughout the Self-Evaluation Manual. Other references unique to particular chapters are provided with a complete citation in lieu of abbreviated designations.

DESIGNATION	REFERENCE	EXAMPLE
SC Section	PA School Code	SC 2104
SBA Chapter - Page	PA School Business Administration Series	SBA 2-2
BEC Number - Year	Basic Education Circular	BEC 22-79
ACT Number (Year)	PA State Law	ACT 64 (1986)
AM Part - Page	State Accounting Manual	AM 2-2
P.L. Number	Federal (Public) Law	P.L. 94-142
Title Number	U.S. Department of Education	Title 34
PDE-Number	PA Department of Education Forms	PDE-2056
CMPM - Page	Custodial Maintenance Manual ASBO Publication	CMPM 16
SAAG	Single Audit Guidelines for LEA's	SAAG
VC Section	Vehicle Code	VC 1509

I. BUDGET AND FINANCIAL PLANNING

Competent management is the key of any successful business operation. The public's demand for increased service for tax dollars makes it imperative that the leadership in education be geared to provide efficient, effective and economical school services.

The school business administrator occupies a key position in insuring that educational expenditures produce maximal educational returns. As such, he/she must be continually aware of the changing tides of educational demands, social awareness and business operations. Modern management techniques must be understood and applied in all areas of the educational effort.

Financial planning, use of prescribed accounting methods, clear and concise reporting, and objective evaluation are necessary prerequisites for competent school business management.

Financial planning is desirable to produce an orderly flow of funds from the local level and to determine priorities for the many services and needs that compete for funds in the school organization.

All reports required by local, state and federal agencies should be readily available to properly account for current performance, the building of historical data and future planning. Concise, timely reporting is the watchword for today.

The proper and constant evaluation of planning, accounting, budgeting and reporting is important if the school system is to meet its obligation to the students and the citizens of the community.

BUDGET AND FINANCIAL PLANNING

FINANCIAL PLANNING

	YES	NO	N/A
1. The Board of Education has adopted policies outlining the scope of the financial planning function of the school district assigning specific responsibilities and timetables.	___	___	___

COMMENTS: _____

2. Historical and projected enrollment data is maintained and updated annually.	___	___	___

COMMENTS: _____

3. The Board has developed a financial plan for at least three years projecting both revenues and expenditures and maintains at least a three year history of actual expenditures and revenues.	___	___	___

COMMENTS: _____

4. The Board has developed a capital needs program for the next five years and associated it with the district long range plan.	___	___	___

COMMENTS: _____

5. Daily and monthly cash flow charts are used for investment planning and issuance of Tax and Revenue Anticipation Notes.	___	___	___

COMMENTS: _____

YES NO N/A

6. All funds are deposited on a timely basis.

___ ___ ___

REFERENCE: SC 621

COMMENTS: _____

7. Excess funds are properly invested in accordance with Pennsylvania requirements.

___ ___ ___

REFERENCE: SC 622

COMMENTS: _____

8. A plan is developed for the timely sale of bond issues and the use of bond anticipation notes.

___ ___ ___

COMMENTS: _____

9. Bond maturities are scheduled to produce an orderly and uniform rate repayment.

___ ___ ___

COMMENTS: _____

10. The community is properly informed about the current financial needs of the school system and the long range financial capital plans of the Board of Education and involved in the development and review of the long range plan.

___ ___ ___

COMMENTS: _____

YES NO N/A

11. Appropriate financial reports are prepared to record data and provide information for management decisions.

___ ___ ___

COMMENTS: _____

BUDGET PREPARATION

12. The Board of Education has adopted policies outlining the budget development process and assigning specific responsibilities and timetables.

___ ___ ___

COMMENTS: _____

13. The district has a calendar scheduling the development and approval of the budget.

___ ___ ___

COMMENTS: _____

14. The budget document is prepared in an understandable format and in accordance with the chart of accounts as prescribed by the State Department of Education.

___ ___ ___

REFERENCE: AM 1-17

COMMENTS: _____

	YES	NO	N/A
15. The budget is prepared using historical data and considers changes in the local economic climate.	___	___	___

COMMENTS: _____

16. The budget is planned and developed with appropriate staff input.	___	___	___

COMMENTS: _____

17. The budget document contains provisions for contingencies.	___	___	___

COMMENTS: _____

18. The budgeting practices within the district are consistent by building, department and program.	___	___	___

COMMENTS: _____

19. The district has a public relations program to inform the community on budget matters.	___	___	___

COMMENTS: _____

YES NO N/A

20. The budget is adopted and taxes levied prior to June 30 of each fiscal year.

___ ___ ___

REFERENCE: SC 603, 652, 679; Act 511 (1965)

COMMENTS: _____

21. The proposed budget is made available for public inspection at least 20 days prior to final adoption.

___ ___ ___

REFERENCE: SC 664, 687

COMMENTS: _____

22. The budget of expenditures does not exceed the amount of funds available for appropriation.

___ ___ ___

REFERENCE: SC 687

COMMENTS: _____

23. The approved budget is submitted to the Department of Education by July 31st of each year.

___ ___ ___

COMMENTS: _____

24. The budget is monitored during the year and transfers made as necessary.

___ ___ ___

REFERENCE: SC 609

COMMENTS: _____

II. ACCOUNTING

Accounting is a basic part of a sound financial management system for a Pennsylvania school district. Its purpose is to provide taxpayers, school board members and management a degree of assurance that the resources of the district are utilized for their intended purpose.

Adherence to Generally Accepted Accounting Principles assures that concerned individuals receive financial data about the school district in a format which is consistent with other districts and which fairly presents the financial position of the organization.

Internal controls over accounting functions are an essential part of an accounting program. Internal controls are instituted to provide reasonable assurance that accounting transactions conform with management's authorization, assets are safeguarded, financial records can be relied upon to make decisions, access to assets is limited as authorized by management and a periodic comparison of financial records to assets should disclose significant discrepancies so that appropriate actions can be taken.

The end product of a sound financial management system is adequate reporting. The minimum reporting requirement would be an annual financial report which has been verified to school district records. But other financial reports would include, but not be limited to, treasurer's reports, year end projections, monthly analyses, special reports for specific users based on their needs, and legally required reports such as state reports and a list of bills. These financial reports assure end users on a timely basis that the accounting records of the district are being properly handled, and the district's assets are being utilized for their intended purpose.

ACCOUNTING

YES NO N/A

1. The district maintains a fund accounting system consistent with generally accepted accounting principles.

___ ___ ___

REFERENCE: Codification of GAFR Standards; GA Standards; Board Statements, Interpretations and Technical Bulletins.

COMMENTS: _____

2. The district maintains accounts consistent with the State Accounting Manual.

___ ___ ___

REFERENCE: AM ACC 1-9

COMMENTS: _____

3. The district requires purchase orders for all purchases properly authorized by the administration to assure need, proper price and availability of funds.

___ ___ ___

COMMENTS: _____

4. The district maintains an encumbrance system for all purchases orders.

___ ___ ___

COMMENTS: _____

5. Accounting transactions are posted daily, balanced monthly and are documented.

___ ___ ___

COMMENTS: _____

YES NO N/A

6. Cash is posted daily and deposited daily into board approved bank accounts.

___ ___ ___

COMMENTS: _____

7. Cash balances are reconciled to bank balances monthly.

___ ___ ___

COMMENTS: _____

8. Receipts are issued for all cash collections on a timely basis.

___ ___ ___

COMMENTS: _____

9. The school board approves all payments on a monthly basis.

___ ___ ___

REFERENCE: SC 607, 608

COMMENTS: _____

10. The school board approves all budgetary transfers of funds.

___ ___ ___

REFERENCE: SC 609

COMMENTS: _____

YES NO N/A

11. No expenditure line items should be overspent at year end.

___ ___ ___

REFERENCE: SC 609

COMMENTS: _____

12. Vendors are properly and promptly paid (timely payments are made to take advantage of discounts offered or to avoid penalties and interest).

___ ___ ___

COMMENTS: _____

13. Accounts receivable are invoiced and recorded in a timely manner.

___ ___ ___

COMMENTS: _____

14. An inventory of fixed assets at historical cost is maintained.

___ ___ ___

COMMENTS: _____

BASIS OF REPORT FILING

15. Monthly list of bills is presented to the school board.

___ ___ ___

COMMENTS: _____

YES NO N/A

16. Monthly list of budgetary transfers is presented to the school board.

___ ___ ___

COMMENTS: _____

17. Monthly reports from the treasurer concerning cash are presented to the school board.

___ ___ ___

COMMENTS: _____

18. Monthly reports comparing expenditures with budget are presented to the school board.

___ ___ ___

COMMENTS: _____

19. Internal financial reports for management use are distributed at least monthly.

___ ___ ___

COMMENTS: _____

20. Reports required for the Payroll Department are filed on a timely basis.

___ ___ ___

COMMENTS: _____

YES NO N/A

21. State reports are filed on a timely basis.

___ ___ ___

COMMENTS: _____

22. An annual comprehensive financial report is filed annually and audited by independent Certified Public Accountant.

___ ___ ___

COMMENTS: _____

23. Audit suggestions are implemented on a timely basis.

___ ___ ___

COMMENTS: _____

24. Federal reports are filed on a timely basis.

___ ___ ___

COMMENTS: _____

25. Annual financial reports are submitted to Moody's and Standard and Poor's investment agencies.

___ ___ ___

COMMENTS: _____

YES NO N/A

26. Reports to the public are clear, concise and accurate.

___ ___ ___

COMMENTS: _____

INTERNAL CONTROLS

27. Business Office duties are segregated in such a manner as to insure that no one person on staff is responsible for all aspects of a transaction.

___ ___ ___

COMMENTS: _____

28. The person responsible for cash receipts is not the same person who is responsible for disbursements.

___ ___ ___

COMMENTS: _____

29. Checks come into the district made out to the district rather than a person.

___ ___ ___

COMMENTS: _____

YES NO N/A

30. The cashing of checks or advancing of funds to employees is prohibited.

___ ___ ___

COMMENTS: _____

31. All cash handled in the district is verified by two employees and deposited in a school board approved bank account.

___ ___ ___

COMMENTS: _____

32. Only original invoices are paid so as to avoid duplicate payments.

___ ___ ___

COMMENTS: _____

FORM CONTROL

33. All accounting forms are pre-numbered and printed with school district letterhead.

___ ___ ___

COMMENTS: _____

YES NO N/A

34. Purchase orders are given sequential numbers and maintained in one location.

___ ___ ___

COMMENTS: _____

35. Checks are kept in a safe place with limited access.

___ ___ ___

COMMENTS: _____

III. AUDITING

Definition:

An audit, as defined by the Governmental Finance Officers Association* in their 1980 publication entitled Governmental Accounting, Auditing, and Financial Reporting, (GAAFR) "is a methodical examination of utilization of resources. It concludes with a written report of its findings. An audit is a test of management's accounting system to determine the extent to which internal accounting controls are both available and being used."

As defined by Sam B. Tidwell, C.P.A. in his book Financial and Managerial Accounting for Elementary and Secondary School Systems (3rd Ed.), "the word audit involves examination of the documents, records, reports, system of internal control, accounting procedures, and other evidence for the purpose of determining the propriety, legality and propriety of proposed or consummated transactions, or for the purpose of ascertaining whether all transactions have been recorded and properly reported."

Legal Requirements:

The School Laws of Pennsylvania are not specific on the definition of the meaning of the word "audit" (probably desiring to leave this to the professionals). However, the School Laws are specific as to the requirements that an audit be conducted on the financial records of the school systems (Article XXIV "Auditing of School Finances", Section #2400).

The Federal Government requires a "Single Audit" on all public school districts receiving Federal financial assistance. This requirement varies depending on the amount of Federal financial assistance the school district has received. If the amount of assistance in any fiscal year is $100,000 or greater, the district must have a "single audit"; between $25,000 and $100,000, the district may elect to have a separate program audit or have a single audit; and below $25,000, the district is exempt from the "single audit" requirement, (Single Audit Act of 1984 as enacted 10/4/84 by the U.S. Congress).

Community Responsibility:

The financial climate in which public school districts operate requires the optimum use of resources. An audit conducted by an independent Certified Public Accountant which is in accordance with generally accepted auditing standards can provide assurance to the taxpayers of the school district that their tax dollars have been used in compliance with the various financial and legal provisions governing its operation. This assurance can and will demonstrate effective management stewardship of the communities' resources.

Preparing for the Audit:

It is not unusual for someone preparing for an audit for the first time to feel a certain amount of anxiety in anticipation of the audit. This anxiety will decrease as your experience in dealing with audits and auditors increases and you receive the rewards associated with having an independent review of your operation. The best way of preparing for the audit is by following the guidelines expressed in other areas of this self-evaluation document, especially the areas dealing with the "Accounting System", and "Record Retention". There are, however, a few items that can be addressed prior to the arrival of the auditors that should simplify the audit.

* Formally the Municipal Finance Officers Association of the United States and Canada.

AUDITING

PREPARING FOR AUDIT

	YES	NO	N/A
1. Sufficient work space has been provided for the auditors to work without adversely affecting your daily operations.	___	___	___

COMMENTS: _____

2. You have taken a year end trial balance of your records and they are in balance.	___	___	___

COMMENTS: _____

3. Appropriate records and schedules are available for inspection by the auditors. Ideally, the district will have completed at least a preliminary draft of its Annual Financial Report and a schedule of Federal Financial Assistance.	___	___	___

REFERENCE: PDE–2056; PDE 2057 ; SAAG

COMMENTS: _____

4. Appropriate staff members responsible for areas being audited will be available during the audit to answer questions and resolve possible problems.	___	___	___

COMMENTS: _____

AUDITING

YES NO N/A

5. The district has an annual audit conducted promptly at the end of each fiscal year by an independent Certified Public Accountant.

___ ___ ___

REFERENCE: SC 2410; SAAG

COMMENTS: _____

6. The selection of the independent Certified Public Accountant (CPA) is made by the board of school directors based on a recommendation from administration.

   The initial selection process should include solicitation of quotes from numerous local auditing firms and CPA's.

   Ideally, the selected CPA will have experience with Pennsylvania School Audits, and have a large enough staff to provide the appropriate services to the school district. This service should include the ability to meet the minimum components of a single audit report.

___ ___ ___

REFERENCE: SAAG

COMMENTS: _____

7. The independent CPA reports directly to the board of school directors.

___ ___ ___

COMMENTS: _____

8. The board of school directors and CPA have signed a formal engagement letter defining the scope of the audit, responsibilities of both parties and amount of compensation.

___ ___ ___

REFERENCE: SC 2433, 2443; SAAG

COMMENTS: _____

	YES	NO	N/A
9. The selection of the CPA and amount of compensation are made a part of the official board minutes.	___	___	___

COMMENTS: _____

10. A member of the district's staff has been designated by the board to act as the resource person responsible to provide all required records necessary for the CPA to complete the audit.	___	___	___

COMMENTS: _____

11. The audit report is prepared in accordance with the standards as set forth by the American Institute of Certified Public Accounting.	___	___	___

COMMENTS: _____

12. The audit report includes an opinion letter signed by the auditor and directed to the board of school directors, which indicates the scope of the audit, expresses an opinion as to the fairness of the presentation of the school district's financial reports in conformity with generally accepted accounting principles, and indicates that the audit was made in accordance with generally accepted auditing standards.	___	___	___

COMMENTS: _____

YES NO N/A

13. The audit presents the district's financial reports utilizing The Financial Reporting Pyramid concept.

___ ___ ___

REFERENCE: NCGA Statement 1

COMMENTS: _____

14. The audit contains Notes to the Financial Statements that are essential to present fairly the financial position of the school district and communicates information that is not apparent from the reports themselves.

___ ___ ___

REFERENCE: NCGA Statement 1, Interpretation 6

COMMENTS: _____

15. The auditor prepares a Management Letter following each year's audit which is promptly reviewed with the board of school directors and appropriate levels of administration.

    The administration prepares a written response to the board of school directors detailing the plan of action in response to the auditors Management Letter and a copy of this response is shared with the auditor.

___ ___ ___

COMMENTS: _____

16. The audit should be conducted on at least the following funds and account groups.

    General Fund

___ ___ ___

    Special Revenue Funds

___ ___ ___

	YES	NO	N/A
17. (Cont...)			
Capital Project Funds	___	___	___
Debt Service Fund	___	___	___
Food Service Fund	___	___	___
Student Activities Fund	___	___	___
Expendable Trust Funds	___	___	___
Non–Expendable Trust Fund	___	___	___
General Fixed Asset Account Group	___	___	___
General Long Term Debt Account Group	___	___	___

COMMENTS: _____

18. The audit should include at least the following records of the school district:			
A check of internal controls	___	___	___
An audit of all cash accounts	___	___	___
An audit of all investments	___	___	___
An audit of any imprest funds	___	___	___

	YES	NO	N/A
18. (Cont...)			
An audit of the payroll records	___	___	___
An audit of accounts receivables	___	___	___
An audit of accounts payable	___	___	___
An audit of encumbrances outstanding	___	___	___
An audit of inventory items and values	___	___	___

COMMENTS: _____

19. The audit includes a review of the official minutes of all the school board public meetings

___ ___ ___

COMMENTS: _____

20. The audit includes a review of all legal contracts approved by the board.

___ ___ ___

COMMENTS: _____

21. The audit includes a review of all bids approved by the board.

___ ___ ___

COMMENTS: _____

YES NO N/A

22. The audit report is completed and submitted within six months following the close of the fiscal year.

___ ___ ___

REFERENCE: SAAG

COMMENTS: _____

23. The audit report is reviewed with the board of school directors and entered in the official minutes of the board.

___ ___ ___

REFERENCE: SC 2408

COMMENTS: _____

24. The audit report is filed on the appropriate form and in accordance with the requirements of the Pennsylvania Department of Education Auditors' Report.

___ ___ ___

REFERENCE: SC 2408; SAAG; PDE-2059

COMMENTS: _____

25. The audit report is filed with all other appropriate agencies such as:

County Court of Common Pleas
County Intermediate Unit
U.S. Bureau of the Census
Other Federal Agencies
Rating Agencies

___ ___ ___

REFERENCE: SC 2408, 2431, 2441; SAAG

COMMENTS: _____

	YES	NO	N/A
26. The audit report is advertised in accordance with appropriate regulations.	___	___	___

REFERENCE: SC 2432, 2441, 2442

COMMENTS: _____

	YES	NO	N/A
27. A member of the district's staff has been designated as the contact person to provide the audit report upon request to all interested user groups.	___	___	___

COMMENTS: _____

IV. DEBT MANAGEMENT

The following pages relating to debt management are not meant to be a complete exposition on the subject, but rather an outline of a few of the areas which should be considered and brought to your attention when undertaking any indebtedness. There are many other important factors which should be reviewed and discussed with bond counsel and your board before any indebtedness is undertaken.

The reason for your borrowing, whether it be for capital improvements or equipment, tax anticipation, refunding a prior issue, funding of unfunded debt, or for another legal purposes will have a determination on type of financing your school district uses. After the purposes for your financing have been determined, consideration should be given to a complete review of the available financing options, which might include the State Public School Building Authority, Local School Authority, Bank Loans, General Obligation Bonds, and Bond Pools.

Next, you should take the time to understand some of the costs associated with the issuance of bonds and notes. These costs might include, among other things the underwriting discount, bond insurance, bond counsels fee, your solicitors fee, the paying agents fee, the certified public accountants fee, and the printing fee.

Another factor which will effect your borrowing is the interest rate which you will pay for the use of the funds. These factors might include your bond rating, the purchase of insurance, which will almost always reduce the interest rate you will pay during the life of the issue. The prime rate at the time of your loan will also be a factor which you will have to consider.

Before undertaking any indebtedness, you should thoroughly discuss the borrowing with your bond counsel and your school district solicitor, and you should also familiarize yourself and your board with the pertinent sections of the Pennsylvania School Code, The Local Government Unit Debt Act, The Municipality Authorities Act of 1945, and the Tax Reform Act of 1986. These Acts are the authoritative legislation in this area of finance.

It is important to note that the school board should understand the roles and responsibilities of the required professionals associated with the issuance of the bonds and notes. These professionals would include bond counsel, investment bankers, financial advisors, school district solicitor, and your certified public accountant.

These are just some of the areas which should be given your attention and consideration with the issuance of bonds, notes, and other types of loans.

DEBT MANAGEMENT

Generally used terms associated with debt management.

1. Arbitrage – The profit derived from investing funds borrowed at a lower interest cost and invested at a higher rate of return.

2. Base Point – Shorthand reference to one one hundredth of one percent (.01 percent). Example: 5.46% is four "basis points" less than 5.50%.

3. Bond – The written evidence of debt, bearing a stated rate or stated rates of interest and stating the date of maturity, on which date and upon presentation a fixed sum of money plus interest is payable to the holder or owner.

4. Bond Counsel – Attorney with expertise in the municipal bond field who render "approving opinions".

5. Closing – The occasion at which the securities are delivered to the original purchaser and the original purchaser pays the purchase price for the securities.

6. Current Revenue Notes – Notes issued in anticipation of revenues to be received later in the then current fiscal year.

7. Debt – An obligation to pay money at a future date.

8. Debt Service – Principal and interest.

9. General Obligation – A security the payment of which is secured by a pledge of the issuer's full faith and credit and taxing power.

10. Level Debt Service – The result of a maturity schedule that has increasing principal amounts maturing each year so that the debt service in all years is essentially the same.

11. Maturity Schedule – The schedule, by dates and amounts, of the principal maturities of an issue.

12. Note – A security usually having a shorter maturity than a bond issue and usually part of an issue having a single maturity.

13. Official Statement – A document prepared by the issuer in connection with its original offering for sale of an issue, conforming to state and federal requirements.

Terms (Cont...)

14. Paying Agent –	The bank, trust company or public office identified on the security as the place at which securities are presented for payment.
15. Rating –	The indication of the relative investment quality of an issue, as assigned by one of the rating agencies. Usually stated as a letter grade, such as "AA".
16. Rating Agencies –	Usually refers to Moody's Investors Service, Inc.. or Standard & Poor's Corporation.
17. Revenue Anticipation Note –	See "Current Revenue Note".
18. Tax Anticipation Note –	See "Current Revenue Note".
19. Underwriter –	A broker–dealer for a fee undertakes to market on behalf of an issuer a new issue.
20. Zero–Coupon Bonds –	Bonds that bear no interest as such, but are marketed at substantially below face amount. (Also known as capital appreciation bonds).

DEBT MANAGEMENT

	YES	NO	N/A
1. All borrowings are authorized by the board of school directors and approved by a formal resolution, duly recorded in the minutes of the LEA.			

REFERENCE: SC 508

COMMENTS: _____

	YES	NO	N/A
2. The indebtedness of the LEA is within the limitation of fifteen percent of the last assessed valuation of property taxable for school purposes as stated in the school code, and also within the limitations on debt of local governmental units.			

REFERENCE: SC 631; Act 52 (1981), Sections 201–209

COMMENTS: _____

	YES	NO	N/A
3. The purposes for which the LEA has borrowed funds are in accordance with those as outlined in the School Code.			

REFERENCE: SC 631

COMMENTS: _____

	YES	NO	N/A
4. Before the borrowing was undertaken, the school board filed an application for borrowing with the Pennsylvania Department of Community Affairs, and received approval from the Department as required.			

REFERENCE: Act 52 (1981), Sections 410, 411

COMMENTS: _____

YES NO N/A

5. Prior to the initial authorization of bonds or notes or the issuance of any guaranty to finance the project which involves construction or acquisition, the board of school directors obtained realistic cost estimates as required.

___ ___ ___

REFERENCE: Act 52 (1981), Section 106

COMMENTS: _____

6. All bonds are issued in strict accordance with the municipal borrowing laws as defined under the Local Government Unit Debt Act.

___ ___ ___

REFERENCE: Act 52 (1981)

COMMENTS: _____

7. Before delivering any general obligation bonds or notes, or guaranteed revenue bonds, an officer or officers of the LEA, or a CPA, prepared and verified under oath or affirmation a debt statement as of a date not more than sixty days before the filing with the Department of Community Affairs.

___ ___ ___

REFERENCE: Act 52 (1981), Section 410

COMMENTS: _____

8. The LEA has filed appropriate documentation with the Department of Education to secure an approved reimbursable rental percentage on school building projects.

___ ___ ___

REFERENCE: SC 2574 – 2575.1

COMMENTS: _____

	YES	NO	N/A
9. The total amount of temporary indebtedness incurred for current expenses and debt service did not exceed the limitations imposed.			

REFERENCE: SC 635; The Federal Tax Reform Act of 1986

COMMENTS: _____

	YES	NO	N/A
10. The revenue and/or tax anticipation notes were repaid during the current fiscal year in which such funds were borrowed.			

REFERENCE: SC 640; Act 52 (1981), Section 503

COMMENTS: _____

	YES	NO	N/A
11. As part of the Annual Financial Report required to be completed and filed each year with the Pennsylvania Department of Education, the LEA has completed the statement of indebtedness section, which is required to be filed with the Secretary of Education.			

REFERENCE: SC 633

COMMENTS: _____

	YES	NO	N/A
12. Bond Counsel has rendered a favorable opinion as to the legality of the bonds issued. (There are no provisions under the law which require an opinion of Bond Counsel, but it is always required by the underwriters, and is just prudent judgment on the part of the LEA.)			

COMMENTS: _____

	YES	NO	N/A
13. The trustee possesses the legal corporate powers to serve as a trustee.			
REFERENCE: Pennsylvania State Banking Act			
COMMENTS: _____			
14. The trustee maintains trust fund accounts in accordance with the provisions of the trust indenture. (As may be required in the trust indenture.)			
COMMENTS: _____			
15. The trustee issues monthly statements of trust fund transactions in reasonable detail as required of depositories under the school code.			
REFERENCE: SC 624			
COMMENTS: _____			
16. The trustee has included an accounting for investment securities on the statements of trust fund transactions submitted to the LEA or authority. (This is required in the internal control questionnaire of the PICPA for second, third and fourth class school districts.)			
COMMENTS: _____			

YES NO N/A

17. The trust fund cash balances are adequately secured in accordance with the Municipality Authorities Act of 1945 as amended, and as specifically set forth in the applicable section of the trust indenture.

REFERENCE: P.L. 382, Section 8

COMMENTS: _____

18. The separate sinking fund account, if required by the trust indenture, is maintained by the trustee in accordance with the indenture.

COMMENTS: _____

19. After each debt service payment the LEA submits a DEBE 1937 and DEBE 1937A to the Department of Education, Rental Subsidy Section, to secure reimbursement in the amount of the approved percentage.

REFERENCE: SC 2547 – 2575.1

COMMENTS: _____

20. The LEA has made adequate provisions in their current budget, for the amounts payable, for the fiscal year, with respect to bonds, notes, and lease rental payments.

REFERENCE: Act 52 (1981), Section 1201

COMMENTS: _____

	YES	NO	N/A
21. The LEA has made all debt service and/or lease rental payments required under all its trust and/or lease rental agreements.			
REFERENCE: SC 790(7), 785; Act 52 (1981), Section 1202	___	___	___
COMMENTS: _____			
22. The incurring of lease rental debt by the LEA has been submitted to and approved by the Pennsylvania Department of Community Affairs.			
REFERENCE: Act 52 (1981), Sections 410, 411	___	___	___
COMMENTS: _____			
23. The related authority is incorporated under the provisions of the Municipality Authorities Act of 1945, P.L. 382, as amended, and has been issued a certificate of incorporation from the Secretary of the Commonwealth.			
REFERENCE: P.L. 382	___	___	___
COMMENTS: _____			
24. The bonds or notes of the authority were authorized by resolution of the board of the authority.			
REFERENCE: Act 52 (1981), Sections 402, 403	___	___	___
COMMENTS: _____			

	YES	NO	N/A
25. The board of school directors receives and reviews audited financial statements of the related authorities at least annually.	___	___	___

COMMENTS: _____

	YES	NO	N/A
26. The debt service payments made during the fiscal year are in the amount as shown on the debt service schedule in the closing documents of the issue, and as required by the trust indenture.	___	___	___

COMMENTS: _____

V. CASH MANAGEMENT AND INVESTMENTS

The goal of financial management in any school system is to make the most productive use of financial resources in the delivery of the educational program. In Pennsylvania public school districts, the primary responsibility for achieving this goal rests with the school business administrator, working in concert with the school district treasurer. In carrying out this responsibility, it should be the goal of the school business administrator to have school funds generating additional revenue at the best rate of return right up to the moment they are needed for disbursement. This requires a well-planned program of cash management and investment consistent with sound business practice.

To predict with reasonable accuracy the timing and amounts of cash receipts, cash disbursements, transfers, purchases of investments and sales of investments, the school business administrator should develop and maintain a cash flow projection schedule. In whatever form it takes – a simple handwritten record or a sophisticated computer program – it is an indispensable tool of financial management.

Under Section 622 of the School Code, school districts have a variety of options available for fixed-term investments. Certificates of deposit, Treasury bills and other short-term obligations of the United States, municipal bonds and other obligations of the Commonwealth of Pennsylvania and its political subdivisions, are all permitted investments.

Repurchase agreements are instruments used by some school districts to invest funds for very short terms, sometimes just overnight or for a weekend. Because the School Code makes no specific reference to them, questions are frequently raised as to whether they are lawful investments. Each school business administrator who plans to use this type of investment should first consult with the school district solicitor.

In addition to fixed-term investments, there are excellent opportunities for generating interest income by depositing cash in savings accounts, NOW accounts, Super NOW accounts, money market accounts and interest-bearing checking accounts. Another excellent cash management alternative is participation in one of the professionally-managed money market funds created specifically for school districts and other public entities in Pennsylvania. These funds offer a desirable combination of checking account liquidity, high yield, fixed-term investment services, convenience and safety.

A primary consideration in any program of cash management and investment must be the safeguarding of public funds from potential loss. School funds should be treated with the greatest of care. A school business administrator should never sacrifice safety to earn a higher return. Sections 621 and 622 of the School Code provide for adequate protection of school deposits by requiring depositories to furnish proper bond or collateral in lieu of bond. Collateral security may be furnished by specific collateral, as set forth in Section 622 of the School Code, or by pooled collateral, as authorized by Act 72 of 1971. Section 623 of the School Code provides that deposits insured by the Federal Deposit Insurance Corporation or other federal insuring agencies do not require additional bond or collateral, except for amounts that exceed insurance maximums. Section 440.1 of the School Code requires that school district investments must be secured by approved collateral in the same manner as district deposits. Exempt from this requirement are federally-insured certificates of deposit, US Treasury bills and other government obligations that are backed by the full faith and credit of the United States, the Commonwealth of Pennsylvania or one of its political subdivisions.

The investment or cash management program of a school district should never be static. The school business administrator must be responsive to changes in statutes and regulations, conscious of an ever-changing financial marketplace, and open to new ideas.

CASH MANAGEMENT AND INVESTSMENTS

YES NO N/A

1. The school board, by written policy or guideline, has provided for a school district program of investment and cash management which is consistent with sound business practice.

___ ___ ___

REFERENCE: SC 440.1; BEC 20–73

COMMENTS: _____

2. The school board has authorized the treasurer to transfer school funds between accounts by means of telephone, verbal order or written order.

___ ___ ___

REFERENCE: SC 440.1; BEC 20–73

COMMENTS: _____

3. The school board has authorized the treasurer to purchase and sell investments.

___ ___ ___

REFERENCE: SC 440.1; BEC 20–73

COMMENTS: _____

4. Bank depository services are procured through formal bid procedures or an active negotiations process in order to minimize bank service costs and maximize investment opportunities.

___ ___ ___

REFERENCE: SC 440.1, 621

COMMENTS: _____

5. The school board has officially designated a proper depository for each deposit account and savings account used for school funds, including student activity funds.

___ ___ ___

REFERENCE: SC 621; BEC 20–73

COMMENTS: _____

YES NO N/A

6. A cash flow projection schedule is maintained, analyzed and frequently updated for the purpose of planning investments and moving funds in and out of interest-bearing deposit accounts.

___ ___ ___

COMMENTS: _____

7. The school district uses a money market account, NOW account, Super NOW account, savings account, interest-bearing checking account, or one of the liquid asset money market funds established for exclusive use of school districts and other public entities in Pennsylvania.

___ ___ ___

REFERENCE: SC 440.1, 621; BEC 20-73

COMMENTS: _____

8. The school district maximizes interest earnings on local tax collections by accepting tax payments directly into a lock box or by having local tax collectors remit tax receipts to the school district on a frequent basis.

___ ___ ___

REFERENCE: BEC 20-73

COMMENTS: _____

9. Checks, wire transfers and other cash disbursements are released as close as possible to due dates in order to obtain maximum use of district cash for investment purposes.

___ ___ ___

COMMENTS: _____

YES NO N/A

10. Certificates of deposit are scheduled to mature on the dates the funds are actually needed to cover expenditures, rather than at the end of 30 or 60 or 90 days.

___ ___ ___

COMMENTS: _____

11. Early checks are issued only when the school district gains a discount or avoids a penalty by early payment.

___ ___ ___

COMMENTS: _____

12. The district maintains a sufficient balance in a checking account or other liquid asset account to cover some emergency expenditures.

___ ___ ___

COMMENTS: _____

13. When qualified, the district takes advantage of tax and/or revenue anticipation borrowing.

___ ___ ___

REFERENCE: SC 640; ACT 185 (1972)

COMMENTS: _____

YES NO N/A

14. The school district secures quotes from several sources before purchasing investments in order to obtain the best possible yield.

___ ___ ___

REFERENCE: SC 440.1; BEC 20–73

COMMENTS: _____

15. The school district purchases federally–insured certificates of deposit in amounts exceeding the insured maximum for one institution, only when the excess amount is fully secured by collateral.

___ ___ ___

REFERENCE: SC 440.1, 622

COMMENTS: _____

16. The school district takes actual possession of securities purchased or has a safekeeping receipt in its possession as proof of ownership.

___ ___ ___

REFERENCE: BEC 2–73; PA Auditor General's Guidelines for Municipal Investment in Government Securities (Aug. 85)

COMMENTS: _____

17. The school district performs, or contracts with others to perform, a thorough credit analysis of each bank and savings and loan institution before purchasing an investment from that institution, even though the investment is fully insured by FDIC or FSLIC or fully secured by pledged collateral.

___ ___ ___

REFERENCE: SC 440.1; PA Auditor General's Guidelines for Municipal Investment in Government Securities (Aug. 85)

COMMENTS: _____

YES NO N/A

18. When approved collateral security is used to secure certificates of deposit which are not federally-insured or which exceed the insured maximum, the school district takes possession of the collateral or has it deposited with a separate bank or trust company custodian under terms of a written agreement signed by the school district, the issuing financial institution and the custodian.

___ ___ ___

REFERENCE: SC 440.1, 622

COMMENTS: _____

19. The school district invests in repurchase agreements only when guidelines published by the State Auditor General have been met.

___ ___ ___

REFERENCE: PA Auditor General's Guidelines for Municipal Investment in Government Securities (Aug. 85)

COMMENTS: _____

20. For each depository securing school district deposits with specific collateral under provisions of Section 622 of the School Code, the district has on file a current written depositor/depository/custodian agreement which states the rights and obligations of each of the three parties and identifies the specific securities, the combined market value of which is not less than 120 percent of the highest daily balance in funds secured.

___ ___ ___

REFERENCE: SC 622

COMMENTS: _____

YES NO N/A

21. For all district deposits secured by pooled collateral, the district has on file a written statement from the depository stating that adequate pooled collateral is pledged under provisions of Act 72 and naming the custodian of the pledged securities

___ ___ ___

REFERENCE: ACT 72 (1971)

COMMENTS: _____

22. The school district subscribes to financial publications and/or electronic mail services which provide frequent updates on interest rates and other investment data useful in planning and adjusting investment strategies.

___ ___ ___

COMMENTS: _____

VI. PURCHASING AND SUPPLY MANAGEMENT

The Purchasing and Supply Management function of the school district is designed to secure a quality product or service at the most cost effective level. Consideration must be given to the needs of all areas of operation within the school district. Procedures must be developed to insure that materials are provided in a timely manner, are properly accounted for, and are properly controlled.

The purpose of the Self Evaluation Section on Purchasing and Supply Management is to assist in evaluating the operation of the district's program and to provide references to materials that may assist the person(s) responsible for this function. The Pennsylvania Association of School Business Officials Series on School Business Administration, Chapter 6, Purchasing and Supply Management, is an excellent reference source for this function.

The people responsible for the Purchasing and Supply Management function within a district should consistently evaluate procedures in relation to their objectives in order to determine the effectiveness of the operation.

PURCHASING AND SUPPLY MANAGEMENT

YES NO N/A

1. The Board of School Directors has adopted a clearly defined written policy with regard to the purchasing function in the school district.

___ ___ ___

REFERENCE: SBA 6–2

COMMENTS: _____

2. The Board of School Directors has authorized the Secretary or other executive as Purchasing Agent for the district, with authority to purchase supplies costing less than Four Thousand Dollars ($4,000).

___ ___ ___

REFERENCE: SC 807.1

COMMENTS: _____

3. All purchases are made in accordance with the School Code of Pennsylvania.

___ ___ ___

REFERENCE: SC 751, 801, 807.1; SBA 6–1

COMMENTS: _____

4. The Board policy requires all commitments for purchases be made through a central office (i.e. Business Office).

___ ___ ___

COMMENTS: _____

5. Adequate procedures for the preparation and processing of purchase orders are utilized.

___ ___ ___

REFERENCE: SBA 6–1, 2, 3

COMMENTS: _____

YES NO N/A

6. All purchase orders are numbered and controlled.

REFERENCE: SBA 6–2, 3 ___ ___ ___

COMMENTS: _____

7. Purchase orders provide appropriate information to vendors (i.e. terms, conditions, and delivery).

REFERENCE: SBA 6–2, 3 ___ ___ ___

COMMENTS: _____

8. Purchases are kept within budgeted figures.

REFERENCE: SBA 6–2 ___ ___ ___

COMMENTS: _____

9. All purchase orders are signed by authorized personnel.

REFERENCE: SC 807.1; SBA 6–2 ___ ___ ___

COMMENTS: _____

10. Adherence to bidding requirements are in accordance with the School Code of Pennsylvania.

REFERENCE: SC 751, 807.1; SBA 6–1 ___ ___ ___

COMMENTS: _____

11. Whenever possible, items to be purchased are consolidated for quantity discounts and/or bidding.

___ ___ ___

COMMENTS: _____

YES NO N/A

12. Advertisements of bids appear in two regularly circulated newspapers once a week for three (3) weeks. In districts where no newspaper is published, notices are posted in at least five (5) public places. ___ ___ ___

REFERENCE: SC 751, 807.1; SBA 6–1

COMMENTS: _____

13. Bids are opened publicly at the advertised time and place. ___ ___ ___

REFERENCE: SC 751, 807.1; SBA 6–1

COMMENTS: _____

14. The Board accepts the bid of the lowest responsible bidder meeting specifications. ___ ___ ___

REFERENCE: SC 751, 807.1; SBA 6–1

COMMENTS: _____

15. Bid documents include a provision for the Board to reject any and all bids, or select a single item from any bid. ___ ___ ___

REFERENCE: SC 751, 807.1; SBA 6–1

COMMENTS: _____

16. Bid specifications provide the vendors with appropriate instructions to permit free, open, and competitive bidding. ___ ___ ___

REFERENCE: SBA 6–3, 4, 5

COMMENTS: _____

YES NO N/A

17. Bid bonds or bid deposits and performance bonds are required where applicable.

REFERENCE: SBA 6–4 ___ ___ ___

COMMENTS: _____

18. The Board policy requires quotations from three (3) or more vendors for purchases in excess of an amount specified by the Board policy (i.e. $1,000), but less than the amount required by the School Code for formal bidding (i.e. $4,000).

REFERENCE: SBA 6–1 ___ ___ ___

COMMENTS: _____

19. There is a procedure to evaluate vendor performance.

REFERENCE: SBA 6–3 ___ ___ ___

COMMENTS: _____

20. Deliveries are checked promptly. Discrepancies are noted and forwarded to the business office for prompt processing and payment.

REFERENCE: SBA 6–2, 9 ___ ___ ___

COMMENTS: _____

21. All invoices are verified against purchase orders and receiving reports for terms, prices, and quantities.

REFERENCE: SBA 6–2 ___ ___ ___

COMMENTS: _____

YES NO N/A

22. Discounts and/or credits are taken when applicable.

___ ___ ___

REFERENCE: SBA 6–9

COMMENTS: _____

23. There is a procedure for payment of partial orders.

___ ___ ___

REFERENCE: SBA 6–2

COMMENTS: _____

24. The district has developed procedures to insure prompt payment.

___ ___ ___

REFERENCE: SBA 6–9

COMMENTS: _____

25. The district has developed procedures to make small item purchases through petty cash.

___ ___ ___

COMMENTS: _____

26. The district uses the state contract services, coordinated through the General Services Administration, as an alternative to or in addition to the bidding procedure.

___ ___ ___

REFERENCE: SBA 6–6, 7

COMMENTS: _____

YES NO N/A

27. The district prohibits purchases for employees and conducts its purchasing program in an ethical manner that reflects a positive image on the school district. ___ ___ ___

REFERENCE: SBA 6–9

COMMENTS: _____

28. The district has established procedures for warehousing, distribution, and supply management of materials. ___ ___ ___

REFERENCE: SBA 6–7, 8, 9

COMMENTS: _____

29. Procedures are established to maintain proper inventory control. ___ ___ ___

REFERENCE: SBA 6–7, 8

COMMENTS: _____

VII. STUDENT ACTIVITY FUNDS

The purpose of this section is to provide a performance standard for the self–evaluation of the school district's administration of Student Activity Funds. The fundamental responsibility of the school board is to adopt a policy that establishes reasonable rules and regulations for the management, supervision and control of Student Activity Funds. In addition to the administration of this policy, sound business practices must be followed to protect the interests of the children, staff and taxpayers.

STUDENT ACTIVITY FUNDS

YES NO N/A

1. The Board has adopted a policy which provides for reasonable rules and regulations regarding student activities and procedures for organization, management, supervision and control of financing for student activities.

___ ___ ___

REFERENCE: SC 511

COMMENTS: _____

2. Positional responsibilities have been assigned for student activity funds.

___ ___ ___

COMMENTS: _____

3. Expenditures shall be of a non-general fund nature to finance activities not part of the regular curriculum.

___ ___ ___

COMMENTS: _____

4. Student activity funds are used for student activity purposes to benefit the students currently in school.

___ ___ ___

COMMENTS: _____

5. Students share in the decision-making process of how the funds shall be expended.

___ ___ ___

COMMENTS: _____

YES NO N/A

6. The procedure for collecting revenue and disbursing funds from the fund has been put in writing.

___ ___ ___

REFERENCE: SC 511

COMMENTS: _____

7. Student activity funds shall not be used as a source of petty cash.

___ ___ ___

COMMENTS: _____

8. Non-school funds such as Parent-Teacher organizations are not permitted to be part of the student activity fund.

___ ___ ___

COMMENTS: _____

9. Bank statements are reconciled on a regular basis.

___ ___ ___

COMMENTS: _____

10. The accounts are audited on a regular basis.

___ ___ ___

COMMENTS: _____

YES NO N/A

11. Checks are signed by at least two individuals.

___ ___ ___

COMMENTS: _____

12. Cash is deposited on a regular basis.

___ ___ ___

COMMENTS: _____

13. Investment of the funds are made in accordance with prescribed school district investment policy.

___ ___ ___

COMMENTS: _____

14. Guidelines have been established for fund-raising.

___ ___ ___

REFERENCE: SC 511

COMMENTS: _____

15. Fund-raising is only done when a specific purpose has been defined.

___ ___ ___

COMMENTS: _____

YES NO N/A

16. Interest income is redistributed to the various student accounts, or a Board Policy has been adopted allowing various organizations to waive proration.

___ ___ ___

COMMENTS: _____

17. Bids or quotations are required for student purchases over $1,000.

___ ___ ___

REFERENCE: SC 511

COMMENTS: _____

18. Form 1099's are issue to individuals paid out of student activity funds as required by the IRS Code.

___ ___ ___

COMMENTS: _____

19. A policy has been adopted for the disposition of unused or inactive accounts.

___ ___ ___

COMMENTS: _____

20. Prenumbered tickets are utilized.

___ ___ ___

COMMENTS: _____

YES NO N/A

21. A procedure exists to control tickets distributed without charge, sold at reduced prices, and sold at full price.

___ ___ ___

COMMENTS: _____

22. The treasurer or custodian of student activity funds is properly bonded.

___ ___ ___

REFERENCE: SC 511

COMMENTS: _____

23. Records are maintained for receipts and disbursements of all funds.

___ ___ ___

COMMENTS: _____

24. Balance in activity accounts may be held over from one fiscal year to the next.

___ ___ ___

REFERENCE: SC 511

COMMENTS: _____

25. All funds shall be of an exchange nature where large balances are not permitted to accumulate.

___ ___ ___

COMMENTS: _____

YES NO N/A

26. All funds shall be reconciled at the end of each fiscal year.

___ ___ ___

COMMENTS: _____

27. Field trips shall be of an educational nature and related to the school program.

___ ___ ___

COMMENTS: _____

28. The financial report of the condition of the fund is given to the Board at least quarterly.

___ ___ ___

REFERENCE: SC 511

COMMENTS: _____

VIII. DISPOSING OF SURPLUS PROPERTY

Every school entity, at one time or another, is confronted with the problem of disposing of obsolete or surplus equipment, furniture, supplies, books, or real estate.

School entities should have written procedures regarding the identification of obsolete or surplus property and for the disposal of same.

The School Business Administrator's responsibility is to insure that the disposal of obsolete or surplus property is in compliance with any applicable local, state, and federal laws, is in accordance with board policy and provides the maximum benefit possible to the school entity.

DISPOSING OF SURPLUS PROPERTY

GENERAL

YES NO N/A

1. There is a School Board policy governing the disposal of surplus property and there are written administrative procedures regarding such disposal.

___ ___ ___

REFERENCE: SBA 4–1, 2

COMMENTS: _____

2. Where possible, surplus items are traded–in to reduce the purchase price of replacement items and to avoid costs involved with the storage and sale of surplus items.

___ ___ ___

REFERENCE: SBA 4–1

COMMENTS: _____

3. Surplus items that have been deemed to have no value to the district are offered to charitable organizations or are properly discarded.

___ ___ ___

REFERENCE: SBA 4–1

COMMENTS: _____

4. For surplus items that have been deemed to have value, various methods of sale have been examined and evaluated including public auction, salvage, negotiated sale, sealed bids, or pre–priced sales.

___ ___ ___

REFERENCE: SBA 4–1

COMMENTS: _____

	YES	NO	N/A
5. The Board of School Directors approves the holding of a surplus sale, as well as the method of sale, and has preapproved a list of items to be offered for sale.			
REFERENCE: SBA 4–2			
COMMENTS: _____			
6. Surplus sales are properly advertised to satisfy any legal requirements and to reach as large a number of potential buyers as practical.			
REFERENCE: SBA 4–2,4			
COMMENTS: _____			
7. District textbooks, furniture and equipment items in each building or department are reviewed, at least annually, by a designated employee, to identify those that are obsolete or surplus.			
REFERENCE: SBA 4–2			
COMMENTS: _____			
8. Written procedures are established for the identification, notification, transfer, storage, and eventual disposal of surplus textbooks, furniture and equipment items.			
REFERENCE: SBA 4–2			
COMMENTS: _____			

DISPOSING OF SURPLUS PROPERTY (Cont...)

YES NO N/A

9. Textbooks, furniture and equipment items being offered at a pre-priced sale, have been appraised, valued, and priced by the appropriate administrator.

___ ___ ___

REFERENCE: SBA 4-2, 3

COMMENTS: _____

10. Accounting internal controls have been established regarding the sale of surplus textbooks, furniture and equipment items and all receipts properly recorded.

___ ___ ___

REFERENCE: SBA 4-3

COMMENTS: _____

11. Textbooks that are deemed to have no sale value are marked "OBSOLETE" and are distributed free to members of the school community or sold to dealers as scrap paper.

___ ___ ___

REFERENCE: SBA 4-3

COMMENTS: _____

REAL ESTATE

12. The district has complied with the Pennsylvania School Code regarding the disposition of real property and the use of the proceeds from any sale.

___ ___ ___

REFERENCE: SC 707, 708, 709

COMMENTS: _____

YES NO N/A

13. The district has examined the disposition of real property as it relates to local ordinances and zoning laws, deed restrictions, environmental agency regulations, county or municipal planning commissions, the Department of Education, and/or state or local school building authorities.

___ ___ ___

REFERENCE: SBA 4–4

COMMENTS: _____

14. The district has used one or more professional appraisers to value the property in order to determine an equitable asking price.

___ ___ ___

REFERENCE: SBA 4–4

COMMENTS: _____

IX. FOOD SERVICES

The food service operation is organized as a non-profit operation to provide the greatest service at the lowest possible cost to the user. As an Enterprise Fund the accounting operations are financed and operated in a manner similar to private business enterprise with constant analysis of income and expenditure data.

The intent of the following checklist is to provide the business administrator and/or the food service director the opportunity to review their food service program to hopefully note areas where improvements can be made to strengthen the goals and overall operation of the program.

FOOD SERVICES

YES NO N/A

1. Agreements with the state and federal government have been completed, signed and are on file with the school district and appropriate federal and/or state agency.

___ ___ ___

REFERENCE: National School Lunch Program, 7 CFR Part 210

COMMENTS: _____

2. The school lunch program is operating as a self-supporting entity on a non-profit basis.

___ ___ ___

REFERENCE: Revenue Code, Section 501(c)(3)

COMMENTS: _____

3. The free and reduced lunch program is an integral part of the total food service program.

___ ___ ___

REFERENCE: National School Lunch Program, 7 CFR Part 210

COMMENTS: _____

4. Applications for students receiving free or reduced lunch are on file. They have been reviewed, verified and the status of each application has been established.

___ ___ ___

REFERENCE: National School Lunch Program, 7 CFR Part 210

COMMENTS: _____

5. Publication of the availability for free and reduced lunch is completed annually.

___ ___ ___

REFERENCE: National School Lunch Program, 7 CFR Part 210

COMMENTS: _____

YES NO N/A

6. A system of nondiscrimination for students receiving free/reduced lunch has been established.

___ ___ ___

REFERENCE: Civil Rights Act (1964), Title IX

COMMENTS: _____

7. Employees have physical examinations on file as prescribed by state and local law.

___ ___ ___

COMMENTS: _____

8. State and local health regulations regarding food handling are established and followed in each kitchen and cafeteria serving area.

___ ___ ___

COMMENTS: _____

9. A Food Service accounting system has been established.

___ ___ ___

REFERENCE: AM – FUN 3

COMMENTS: _____

10. A system for financial controls is established and all bills are verified before payment.

___ ___ ___

REFERENCE: SC 1337

COMMENTS: _____

YES NO N/A

11. Daily counts of free, reduced, paid student and adult lunches are recorded.

___ ___ ___

REFERENCE: National School Lunch Program, 7 CFR Part 210

COMMENTS: _____

12. Reports are submitted to state and federal agencies as required.

___ ___ ___

REFERENCE: National School Lunch Program, 7 CFR Part 210

COMMENTS: _____

13. Financial reports are prepared and reviewed each month.

___ ___ ___

COMMENTS: _____

14. A system is developed for receiving, checking and properly storing all foods, supplies and government donated food.

___ ___ ___

REFERENCE: National School Lunch Program, 7 CFR Part 210

COMMENTS: _____

15. A system is established for inventory control for foods, supplies and government donated food.

___ ___ ___

REFERENCE: Uniform Federal Assistance Regulations, CFR Part 3015

COMMENTS: _____

YES NO N/A

16. A system is maintained to record free and reduced meals. ___ ___ ___

REFERENCE: National School Lunch Program, 7 CFR Part 210; Assessment, Improvement and Monitoring System Handbook, September 1982

COMMENTS: _____

17. Purchase orders are used and approved by the authorized purchasing officer for all foods, supplies and equipment. ___ ___ ___

COMMENTS: _____

18. Budgets are developed for the school lunch program and are used as a guide in the administration of the program. ___ ___ ___

COMMENTS: _____

19. Dining space is adequate. ___ ___ ___

COMMENTS: _____

20. Kitchen is efficiently and effectively organized. ___ ___ ___

COMMENTS: _____

YES NO N/A

21. All health code regulations are followed.

___ ___ ___

COMMENTS: _____

22. Kitchens are clean and sanitary.

___ ___ ___

COMMENTS: _____

23. Facilities for refuse are in an area outside and away from food preparation areas.

___ ___ ___

COMMENTS: _____

24. Menus are written in accordance with the regulations set forth by the School Lunch Act.

___ ___ ___

REFERENCE: National School Lunch Program, 7 CFR Part 210

COMMENTS: _____

25. Menus are advertised, posted and provided to students.

___ ___ ___

COMMENTS: _____

YES NO N/A

26. Standard recipes are used in food preparation.

___ ___ ___

COMMENTS: _____

27. Students are involved with staff in planning menus and special cafeteria activities.

___ ___ ___

COMMENTS: _____

28. The School District encourages nutrition education.

___ ___ ___

COMMENTS: _____

29. Staffing requirements for the serving of meals are adequate.

___ ___ ___

COMMENTS: _____

30. Menu planning makes use of government donated foods and takes advantage of market conditions.

___ ___ ___

COMMENTS: _____

YES NO N/A

31. Serving sizes are adequate and meet the minimum requirements of the school lunch program.

___ ___ ___

COMMENTS: _____

32. The food service program is continually evaluated.

___ ___ ___

COMMENTS: _____

33. The Board has adopted a policy and procedures have been initiated pertaining to the control and distribution of all food, supplies and equipment.

___ ___ ___

REFERENCE: SC 1337

COMMENTS: _____

34. The food service department utilizes joint purchasing whenever it is available and feasible.

___ ___ ___

COMMENTS: _____

35. The food service department utilizes and purchases under state contract whenever feasible.

___ ___ ___

REFERENCE: P.L. 796 (242)

COMMENTS: _____

YES NO N/A

36. Sufficient quantities of emergency food and supplies are available.

___ ___ ___

COMMENTS: _____

37. Storage space for dry foods is free from excessive temperature variations and humidity.

___ ___ ___

COMMENTS: _____

38. Storage space for frozen foods is adequate or an outside source is used for such storage.

___ ___ ___

REFERENCE: Title 25, Rules and Regulations – Department of Environmental Resources

COMMENTS: _____

39. Refrigeration space is adequate and foods are refrigerated at temperatures no higher than 45 degrees.

___ ___ ___

COMMENTS: _____

40. There is a procedure for pest control in food service areas.

___ ___ ___

COMMENTS: _____

	YES	NO	N/A
41. The Food Service Program follows provisions set forth by the Single Audit Act.	___	___	___

REFERENCE: SAAG

COMMENTS: _____

X. SUPERVISION OF SUPPORT PERSONNEL

The purpose of this section is to provide a performance standard for the self–evaluation of the school district's program of supervision of support personnel. Although these performance standards were obtained from a number of resources, most of the specific implementation procedures and supporting data were obtained from the PASBO Series on School Business Administration, "Supervision of Support Personnel." This manual can be used to effectively implement many of the performance standards recommended in this section. In addition to the PASBO Series, it is recommended that managers obtain a copy of the Fair Labor Standards Act (FLSA), the Public Employee Relations Act (Act 195), and the Equal Employment Opportunity Commission (EEOC) guidelines. These documents are an excellent source of material for proper and legal personnel policies.

SUPERVISION OF SUPPORT PERSONNEL

	YES	NO	N/A
1. Personnel policies and procedures are duly adopted by the Board of Education.	___	___	___

COMMENTS: _____

2. Job descriptions are written and available for all support positions.	___	___	___

COMMENTS: _____

3. Job descriptions include functions and responsibilities of the position, job qualifications, the person to whom the employee is responsible, and the personnel, if any, who report to the person.	___	___	___

COMMENTS: _____

4. Support positions are evaluated by means of a written "position evaluation" process.	___	___	___

COMMENTS: _____

5. The school entity has a written job classification and wage distribution chart.	___	___	___

COMMENTS: _____

YES NO N/A

6. The Board of Education has adopted an organizational chart which defines the chain of command for support personnel.

___ ___ ___

COMMENTS: _____

7. The Board of Education has adopted an equal opportunity employment policy.

___ ___ ___

REFERENCE: Equal Employment Opportunity Commission

COMMENTS: _____

8. The school entity has an approved Affirmative Action Plan for employing and promoting minority group members.

___ ___ ___

REFERENCE: Equal Employment Opportunity Commission

COMMENTS: _____

9. Support personnel are recruited through district wide postings and a variety of public advertisements.

___ ___ ___

REFERENCE: Equal Employment Opportunity Commission

COMMENTS: _____

10. The immediate supervisor reviews all applications and selects the best qualified for interviews.

___ ___ ___

COMMENTS: _____

YES NO N/A

11. References submitted by candidates selected for interviews are checked.

___ ___ ___

COMMENTS: _____

12. Former employers of candidates selected for interviews are checked.

___ ___ ___

COMMENTS: _____

13. There is a systematic procedure for asking questions and recording information at interviews.

___ ___ ___

COMMENTS: _____

14. Applicants are interviewed by two or more persons.

___ ___ ___

COMMENTS: _____

15. Recommendations for hiring a specific applicant are well documented.

___ ___ ___

COMMENTS: _____

YES NO N/A

16. The proper salary for the new employee is determined by the classification and wage distribution chart.

___ ___ ___

COMMENTS: _____

17. New employees are provided with an appropriate orientation program.

___ ___ ___

COMMENTS: _____

18. Changes in employee status are governed by school board policy and administrative practice.

___ ___ ___

COMMENTS: _____

19. Employees may request in writing to their immediate supervisor a change of status with justification for change.

___ ___ ___

COMMENTS: _____

20. Both position and title reclassifications are formally approved by the Board of Education.

___ ___ ___

COMMENTS: _____

	YES	NO	N/A
21. Except for emergencies, employees who resign must indicate in writing their reason for resignation, effective date of the resignation, and an original signature.	___	___	___

COMMENTS: _____

22. Formal employee performance appraisal is the culmination of an ongoing supervision and evaluation program.	___	___	___

COMMENTS: _____

23. Support personnel are evaluated annually by means of a written performance appraisal.	___	___	___

COMMENTS: _____

24. The performance appraisal of each employee determines an appropriate merit pay increase.	___	___	___

COMMENTS: _____

25. The school entity has an approved progressive discipline and dismissal procedure.	___	___	___

COMMENTS: _____

YES NO N/A

26. Employee evaluations of performance are based on written, mutually understood, accepted, and objective statements of behavior.

___ ___ ___

COMMENTS: _____

27. Evaluation procedures provide suggestions for specific improvements, a time schedule for improvements, and ways to accomplish them.

___ ___ ___

COMMENTS: _____

28. Evaluation of performance is based on the judgment of more than one person with the final decision made by the chief school administrator.

___ ___ ___

COMMENTS: _____

29. Support personnel are evaluated at least annually.

___ ___ ___

COMMENTS: _____

30. The dismissal of employees complies with the requirements of due process.

___ ___ ___

COMMENTS: _____

YES NO N/A

31. Support employees are dismissed in accordance with the School Code.

___ ___ ___

REFERENCE: SC 514

COMMENTS: _____

32. The school entity seeks the advice of legal counsel on all dismissals.

___ ___ ___

COMMENTS: _____

33. The school entity has an approved reduction in force procedure.

___ ___ ___

COMMENTS: _____

34. The school entity personnel office maintains complete and accurate personnel records on all support employees.

___ ___ ___

COMMENTS: _____

35. The School Board Policy Manual delineates the rules governing access to personnel files.

___ ___ ___

COMMENTS: _____

YES NO N/A

36. Employees are provided with initial and in-service training programs.

___ ___ ___

COMMENTS: _____

37. Eligible employees participate in the professional registration program of the Pennsylvania Association of School Business Officials. (PASBO)

___ ___ ___

COMMENTS: _____

38. Employees are given recognition for a job well done through personal employee letters or through district newsletters.

___ ___ ___

COMMENTS: _____

39. In-service programs are developed by utilizing suggestions and input from all levels of employment.

___ ___ ___

COMMENTS: _____

40. Wage and salary schedules are equitable and of sufficient level so as to attract and retain competent skilled and unskilled labor.

___ ___ ___

COMMENTS: _____

YES NO N/A

41. The individual and total cost of fringe benefits is calculated at least once annually.

___ ___ ___

COMMENTS: _____

42. The individual cost of employee wages and benefits is reported to each employee annually.

___ ___ ___

COMMENTS: _____

43. Employee grievances are handled through an established grievance procedure.

___ ___ ___

COMMENTS: _____

44. The school entity has established a Meet and Discuss committee to meet with representatives of support employees.

___ ___ ___

COMMENTS: _____

45. Provision is made for substitutes in critical areas.

___ ___ ___

COMMENTS: _____

YES NO N/A

46. Tools, equipment, and office machines necessary to the performance of the employees are provided in sufficient quantity and updated periodically.

___ ___ ___

COMMENTS: _____

47. Employees participate in the development of personnel policies.

___ ___ ___

COMMENTS: _____

48. The school entity is in compliance with the Fair Labor Standards Act.

___ ___ ___

REFERENCE: Fair Labor Standards Act

COMMENTS: _____

49. Support employees are given the right to organize, negotiate, bargain, and enter into written agreements.

___ ___ ___

REFERENCE: SC 3380; ACT 195

COMMENTS: _____

50. Support employees are aware of district policies through distribution of an employee handbook and/or through annual in-service meetings.

___ ___ ___

COMMENTS: _____

YES NO N/A

51. Prospective employees are required to submit an appropriate report of criminal history.

___ ___ ___

REFERENCE: Act 34 (1985), Section 111(b), (f)

COMMENTS: _____

52. Administrators maintain a copy of the appropriate criminal history record for each job applicant and require each applicant to produce the original document prior to employment.

___ ___ ___

REFERENCE: Act 34 (1985), Section 111(b), (c)

COMMENTS: _____

XI. TRANSPORTATION OF PUPILS

In most school entities transportation services involve more than transporting students to and from the public schools on a daily basis. Since the passage of Act 372, transportation service is offered to students who attend any nonpublic school within the school district or within ten miles of the school district's boundaries. Transportation of special education students has become more complex as a result of P.L. 94–142. Additionally, students are transported for educational field trips, extra–curricular activity programs, and other special activities sponsored during or after school.

In establishing a transportation program, the school entity needs to emphasize a safe, efficient, and cost effective operation. In developing policy, the school entity must consider the legal requirements, the needs of the students, the concerns of the community, and the financial support available.

Although state reimbursements have increased over the years, the demands for additional services have been dramatic. As a result, providing transportation services has become an increasingly greater financial burden to local school entities. Therefore, every school entity must monitor its transportation services and evaluate all alternatives in meeting the goal to provide a safe, efficient, and cost–effective operation.

TRANSPORTATION OF PUPILS

YES NO N/A

1. Policy has been established by the Board of School Directors to provide for the transportation of students.

___ ___ ___

REFERENCE: SC 1361, 1362

COMMENTS: _____

2. The lines of authority and responsibilities are clearly defined for the proper administration, supervision, and management of the transportation services.

___ ___ ___

COMMENTS: _____

3. Procedures for development of the transportation budget and budgetary control are established.

___ ___ ___

REFERENCE: SC 607

COMMENTS: _____

4. Procedures are established for compiling necessary data to complete the state reimbursement reports.

___ ___ ___

REFERENCE: PA Code, Title 22, Section 23.39

COMMENTS: _____

5. Data submitted on the state reimbursement is verified for accuracy.

___ ___ ___

REFERENCE: SC 2543

COMMENTS: _____

YES NO N/A

6. Initial reimbursement forms and amended forms are submitted to the Department of Education on a timely basis.

REFERENCE: SC 2509.1, 2541, 2543 ___ ___ ___

COMMENTS: _____

7. Insurance, including liability coverage, on all vehicles is provided in accordance with coverages established by the Board of School Directors.

REFERENCE: SC 1362; VC 1715 ___ ___ ___

COMMENTS: _____

8. Specifications and standards are established for supplies, repair parts, and equipment .

___ ___ ___

COMMENTS: _____

9. Inventories of equipment and supplies are maintained.

___ ___ ___

COMMENTS: _____

10. Policies and procedures are established for scheduling field trips and extra-curricular trips.

REFERENCE: SC 511 ___ ___ ___

COMMENTS: _____

YES NO N/A

11. Procedures are established for the handling of parental complaints and special requests.

___ ___ ___

COMMENTS: _____

12. All accidents are reported and reports made to the appropriate state, police, and insurance authorities.

___ ___ ___

REFERENCE: VC 3742, 3743, 3744;
PA Code Title 67, Chapter 171

COMMENTS: _____

13. An analysis of the transportation operation is performed at least annually to evaluate the effectiveness and efficiency of the program.

___ ___ ___

COMMENTS: _____

14. Alternative methods of providing transportation service have been studied.

___ ___ ___

COMMENTS: _____

15. A written plan for emergency closings, delays, or early dismissals is established.

___ ___ ___

COMMENTS: _____

YES NO N/A

16. Drivers receive at least the minimum training prior to employment (14 hours of classroom training and 6 hours of in–bus training).

___ ___ ___

REFERENCE: U.S. Department of Transportation, Standard 17; VC 1509

COMMENTS: _____

17. All drivers are re–certified every four years and receive the required minimum training (7 hours of classroom training and 3 hours of in–bus training).

___ ___ ___

REFERENCE: VC 1509

COMMENTS: _____

18. Driving records are checked prior to employment and at least annually thereafter.

___ ___ ___

COMMENTS: _____

19. Job descriptions are available for each transportation position and are reviewed periodically.

___ ___ ___

COMMENTS: _____

20. Drivers receive an annual physical examination.

___ ___ ___

REFERENCE: VC 1509

COMMENTS: _____

YES NO N/A

21. Appropriate individuals in the school entity are certified as school bus instructors.

___ ___ ___

REFERENCE: VC 1509

COMMENTS: _____

22. A safety program is established.

___ ___ ___

REFERENCE: VC 4552(g); PA Code Title 67, Chapter 171

COMMENTS: _____

23. All drivers receive a copy of the Bus Driver Training Manual.

___ ___ ___

REFERENCE: VC 1509

COMMENTS: _____

24. A handbook containing all school entity transportation policies, procedures, and regulations is provided to each driver.

___ ___ ___

REFERENCE: PennDot Publication 191

COMMENTS: _____

25. Complete and detailed maps of the school district and surrounding areas are available for use in scheduling.

___ ___ ___

REFERENCE: PennDot Publication 191

COMMENTS: _____

YES NO N/A

26. Student enrollment data for all schools (public, nonpublic, special education, vocational) is available and includes student's name, home address, telephone number, parent's name, school, and grade level. ___ ___ ___

REFERENCE: PennDot Publication 191

COMMENTS: _____

27. Pertinent information is available for all schools, public and nonpublic , for which transportation is provided (i.e., starting and dismissal times, administrator in charge, address, telephone number). ___ ___ ___

REFERENCE: PennDot Publication 191

COMMENTS: _____

28. The eligibility of each student to receive transportation service has been determined in accordance with state law and school entity policy. ___ ___ ___

REFERENCE: SC 1361

COMMENTS: _____

29. Bus stops are initiated in accordance with established criteria and are periodically reviewed for safety. ___ ___ ___

REFERENCE: VC 3345; PA Code Title 67, Chapter 104

COMMENTS: _____

30. School loading and unloading zones are established. ___ ___ ___

REFERENCE: VC 3345

COMMENTS: _____

YES NO N/A

31. Records are current for roads certified as hazardous by the Department of Transportation.

___ ___ ___

REFERENCE: SC 1361; PA Code Title 67, Chapter 447

COMMENTS: _____

32. Bus routes are constantly reviewed and revised for improved efficiency and safety.

___ ___ ___

REFERENCE: PennDot Publication 191

COMMENTS: _____

33. A copy of the current schedule is provided in the bus for the regular driver and/or substitute driver.

___ ___ ___

REFERENCE: PennDot Publication 191

COMMENTS: _____

34. Maximum utilization of the seating capacity of the bus is made to gain maximum use of equipment.

___ ___ ___

REFERENCE: PennDot Publication 191; VC 4551

COMMENTS: _____

35. A current roster of students assigned to each bus route and stop is provided for the driver.

___ ___ ___

REFERENCE: PennDot Publication 191

COMMENTS: _____

YES NO N/A

36. Criteria is established for limiting the time a student rides a bus. ___ ___ ___

REFERENCE: PennDot Publication 191

COMMENTS: _____

37. Transportation schedules are approved by the Board of School Directors. ___ ___ ___

REFERENCE: SC 1361, 1362

COMMENTS: _____

38. Special provisions are made for the scheduling of special education students in accordance with any requirements of the student's Individualized Educational Program (IEP). ___ ___ ___

REFERENCE: P.L. 94–142

COMMENTS: _____

39. Discipline policies for students have been established by the Board of School Directors. ___ ___ ___

REFERENCE: PennDot Publication 191

COMMENTS: _____

40. Discipline policies are provided to parents and students. ___ ___ ___

REFERENCE: PennDot Publication 191

COMMENTS: _____

YES NO N/A

41. Drivers are fully aware of their responsibilities under the provisions of the discipline policy.

___ ___ ___

REFERENCE: PennDot Publication 191

COMMENTS: _____

42. Lines of communication between transportation employees and the administrative staff are clearly defined and effective.

___ ___ ___

REFERENCE: PennDot Publication 191

COMMENTS: _____

43. A Ridership Program is provided for all students who are transported.

___ ___ ___

REFERENCE: U.S. Department of Transportation, Standard 17; PennDot Publication 158

COMMENTS: _____

44. School bus emergency drills are conducted in September and March of each school year.

___ ___ ___

REFERENCE: SC 1517; VC 4552

COMMENTS: _____

45. Special arrangements are made for students with physical disabilities.

___ ___ ___

REFERENCE: P.L. 94–142

COMMENTS: _____

YES NO N/A

46. Drivers and aides are provided with pertinent data concerning special conditions of any students.

___ ___ ___

REFERENCE: PennDot Publication 191

COMMENTS: _____

47. A complete inventory of all district-owned vehicles and equipment is maintained.

___ ___ ___

REFERENCE: VC 4551

COMMENTS: _____

48. The titles of all vehicles are maintained in a safe location.

___ ___ ___

COMMENTS: _____

49. Bid specifications for vehicles meet state requirements and local needs.

___ ___ ___

REFERENCE: VC 4551, 4552; PA Code Title 67, Chapter 171

COMMENTS: _____

50. All vehicles meet the standards for school transportation vehicles approved by the Department of Transportation.

___ ___ ___

REFERENCE: VC 4552, 4553; PA Code Title 67, Chapter 171

COMMENTS: _____

YES NO N/A

51. All vehicles have passed state inspection and state police inspection.

___ ___ ___

REFERENCE: VC 4702, 4705

COMMENTS: _____

52. Complete cost and repair records are maintained on each vehicle (i.e. repair costs, fuel usage, etc.).

___ ___ ___

COMMENTS: _____

53. A regular schedule for inspection and maintenance is established for all vehicles to minimize costs and minimize safety standards.

___ ___ ___

REFERENCE: PennDot Publication 191

COMMENTS: _____

54. A procedure is established for drivers to submit reports for scheduled or emergency repairs.

___ ___ ___

COMMENTS: _____

55. A program of vehicle replacement is established.

___ ___ ___

COMMENTS: _____

YES NO N/A

56. All vehicles are regularly cleaned inside and outside.

___ ___ ___

COMMENTS: _____

57 Bus lights are turned on when transporting students.

___ ___ ___

REFERENCE: VC 4308

COMMENTS: _____

58. Contracts for transportation services have been approved by the Board of School Directors and are on file.

___ ___ ___

REFERENCE: SC 508

COMMENTS: _____

59. Contracts are revised as necessary to reflect changes in routes, mileage, or other factors.

___ ___ ___

COMMENTS: _____

60. Contracts for transportation services are reviewed at least annually.

___ ___ ___

REFERENCE: SC 508

COMMENTS: _____

YES NO N/A

61. The contractor provides and maintains vehicles which conform to standards set forth in law and by the Department of Transportation.

___ ___ ___

REFERENCE: VC 4551, 4552

COMMENTS: _____

62. The contractor hires and trains employees in accordance with state laws and regulations and provides evidence of same to the school entity.

___ ___ ___

REFERENCE: VC 1509

COMMENTS: _____

63. The contractor complies with the provisions of Act 34 of 1985 by requiring all new employees to submit a Criminal History Record.

___ ___ ___

REFERENCE: Act 34 (1985)

COMMENTS: _____

64. The contractor provides the school entity with a certificate of insurance and performance bonds which meet the limits established by the school district.

___ ___ ___

REFERENCE: VC 1715; SC 1362

COMMENTS: _____

65. The contractor implements the discipline policies as established by the Board of School Directors.

___ ___ ___

REFERENCE: PennDot Publication 191

COMMENTS: _____

YES NO N/A

66. The contractor assists school district personnel in establishing schedules.

___ ___ ___

COMMENTS: _____

67. The contractor supplies information for state reporting forms.

___ ___ ___

REFERENCE: PennDot Publication 191; SC 2541, 2543

COMMENTS: _____

68. The data supplied by contractors is reviewed by school district personnel.

___ ___ ___

REFERENCE: SC 2543

COMMENTS: _____

69. Records are kept for all gasoline or other supplies.

___ ___ ___

COMMENTS: _____

XII. SCHOOL PLANT PLANNING AND CONSTRUCTION

Well planned, well constructed schools greatly enhance any educational program. Poorly planned schools can restrict instructional programs, inhibit student learning, and waste money. Today's school administrator must allocate proper planning time and ask proper questions before and during a building program. The proper answers to these questions are critical to the resulting facility. Remember, the school plant planning and construction process should result in an effective school not merely a beautiful building.

The following check list contains questions which if answered in the affirmative should indicate proper planning. These questions do not necessarily cover all areas of concern in complete detail. Many additional, more specific questions will be involved in the review processes referenced here.

Numerous references are made herein to PLANCON (PCN). This is the extensive Public School Facilities Planning and Construction Workbook issued by the Commonwealth of Pennsylvania, Department of Education. It provides detailed, step–by–step procedures to meet Department of Education planning/construction requirements.

SCHOOL PLANT PLANNING AND CONSTRUCTION

YES NO N/A

1. The district has completed an Educational Quality Assessment.

___ ___ ___

REFERENCE: Act 299 (1963)

COMMENTS: _____

2. The district has a Department of Education approved long range plan.

___ ___ ___

REFERENCE: State Board Regulations 5.151

COMMENTS: _____

3. Educational specifications have been developed for the planned facility.

___ ___ ___

REFERENCE: State Board Regulations 21.31;
PLANCON, Section B

COMMENTS: _____

4. Review Department of Education school building standards.

___ ___ ___

COMMENTS: _____

5. A procedure has been established for the selection of architect/engineer.

___ ___ ___

COMMENTS: _____

YES NO N/A

6. Existing facilities (school and community) have been reviewed for adequacy to support current/future programs which includes the involvement of educators, business management, buildings/grounds management, design professionals and the community.

___ ___ ___

COMMENTS: _____

7. Facility renovation/expansion or alternate instruction schedules have been considered in lieu of new construction.

___ ___ ___

COMMENTS: _____

8. Future facility utilization has been analyzed based upon recent student population projections.

___ ___ ___

COMMENTS: _____

9. A review of the district's financial condition has been completed. (Debt schedule, property value projection, multi-year budget projections, credit rating, taxing projections).

___ ___ ___

COMMENTS: _____

10. Alternate financing methods are considered, such as: G.O. bond, local school authority, state school authority, general fund, etc.

___ ___ ___

COMMENTS: _____

YES NO N/A

11. Alternate term/rate options for bond financing are considered.

___ ___ ___

COMMENTS: _____

12. Financial and construction market conditions are reviewed for suitability and timing of the project.

___ ___ ___

COMMENTS: _____

13. Assistance has been requested from bond counsel or other financial consultants.

___ ___ ___

COMMENTS: _____

14. An investment plan has been established for available construction funds.

___ ___ ___

COMMENTS: _____

15. A project budget has been established with contingencies.

___ ___ ___

COMMENTS: _____

YES NO N/A

16. Project cost levels and submission/hearing requirements have been completed as referenced in the Taj Mahal Act.

___ ___ ___

REFERENCE: Act 34 (1973)

COMMENTS: _____

17. A district advisory committee has been established to review/recommend the proposed project site (architect, local real estate reps., legal advisor, administrator(s), local community reps.).

___ ___ ___

COMMENTS: _____

18. Public hearings have been conducted and the necessary documents submitted to obtain Department of Education site approval.

___ ___ ___

REFERENCE: State Board Regulations 21.41, 21.42;
PLANCON, Section C

COMMENTS: _____

19. Walking paths, busing routes, and parking areas have been considered.

___ ___ ___

COMMENTS: _____

20. Options and availability of local utilities have been considered.

___ ___ ___

COMMENTS: _____

YES NO N/A

21. The potential impact of your project on the local community has been considered.

___ ___ ___

COMMENTS: _____

22. Allowances have been made for future development in the area, and for future alternate uses for the proposed building.

___ ___ ___

COMMENTS: _____

23. The proposed site has been checked to determine that it is reasonably protected from noises, pollution, and safety hazards.

___ ___ ___

COMMENTS: _____

24. Space allocations have been reviewed to be certain they conform to the needs as contained in the educational specifications and long range plan.

___ ___ ___

REFERENCE: State Board Regulations 21.32, 21.33;
PLANCON, Section C

COMMENTS: _____

25. Department of Education approval of space allocations has been obtained.

___ ___ ___

REFERENCE: State Board Regulations 21.32, 21.33;
PLANCON, Section C

COMMENTS: _____

YES NO N/A

26. Life–cycle cost analyses and value engineering has been used to evaluate alternate systems/equipment. ___ ___ ___

REFERENCE: State Board Regulations 21.52

COMMENTS: _____

27. Operation and maintenance costs are projected for various plans. ___ ___ ___

COMMENTS: _____

28. Alternate energy sources are considered. ___ ___ ___

COMMENTS: _____

29. Standard (non–custom) equipment/furnishings are utilized wherever possible. ___ ___ ___

COMMENTS: _____

30. The pros/cons of purchasing equipment/furniture are reviewed independently from the construction contract. ___ ___ ___

COMMENTS: _____

YES NO N/A

31. Specifications and procedures are developed to eliminate non–qualifying low cost bids.

___ ___ ___

COMMENTS: _____

32. Handicapped accessibility, and fire, and panic standards are reviewed.

___ ___ ___

COMMENTS: _____

33. Timely Department of Education approval for plans and specifications is obtained.

___ ___ ___

REFERENCE: SC 731; State Board Regulations 21.81; PLANCON, Section F

COMMENTS: _____

34. Bidding requirements are met.

___ ___ ___

REFERENCE: SC 751; State Board Regulations 21.82

COMMENTS: _____

35. A realistic, definitive construction schedule is established.

___ ___ ___

COMMENTS: _____

YES NO N/A

36. On-site construction supervision/inspection needs are established and assigned to a specific individual.

___ ___ ___

COMMENTS: _____

37. A district liaison person is designated to work with the architect/engineer and contractors.

___ ___ ___

COMMENTS: _____

38. A schedule of job progress meetings has been established.

___ ___ ___

COMMENTS: _____

39. Alternate plans are prepared to accommodate potential construction delays.

___ ___ ___

COMMENTS: _____

40. A major component schedule is established to track progress.

___ ___ ___

COMMENTS: _____

XIII. OPERATION AND MAINTENANCE OF PLANT

The primary goal of school plant operation and maintenance should be to provide both an acceptable environment and efficient services for the education of students while ensuring the optimum operation of the physical plant. To this end, school districts should operate, maintain, repair and replace equipment through emergency, routine, and preventive maintenance.

Emergency maintenance is un-scheduled work that requires immediate attention to restore service or remove anticipated problems that will interrupt the school's activities.

Routine maintenance is non-emergency repetitive work which may be scheduled in the school maintenance budget.

Preventive maintenance is periodic, scheduled work that has been planned to provide adjustments, cleaning, minor repairs and routine inspections of equipment to reduce service interruptions.

A good preventive maintenance program will significantly reduce emergencies and the downtime of critical equipment. It will also lower repair costs and overtime, postpone equipment replacement and increase the effectiveness of the physical plant. Thereby, the tasks of routine maintenance will be simplified. For these reasons, this section will concentrate primarily on preventive maintenance.

OPERATION AND MAINTENANCE OF PLANT

YES NO N/A

1. The school district has an organizational chart for operation and maintenance of plant positions.

___ ___ ___

COMMENTS: _____

2. The School Board has adopted policies for the operation and maintenance of the plant.

___ ___ ___

COMMENTS: _____

3. Blueprints, material safety data sheets, asbestos files, and other necessary operation and maintenance documents are maintained by the director of buildings and grounds.

___ ___ ___

COMMENTS: _____

4. The director of building and grounds is aware of legal bidding requirements.

___ ___ ___

REFERENCE: SC 807.1

COMMENTS: _____

5. Operation and maintenance positions are evaluated annually.

___ ___ ___

COMMENTS: _____

YES NO N/A

6. Job descriptions are on file for each operation and maintenance position.

___ ___ ___

COMMENTS: _____

7. The district provides in-service training for the operation and maintenance staff.

___ ___ ___

COMMENTS: _____

8. Operation and maintenance personnel are encouraged to continue technical training through outside sources.

___ ___ ___

COMMENTS: _____

9. The district has adequate operation and maintenance staff to provide for the needs of the district.

___ ___ ___

REFERENCE: CMPM 17-21

COMMENTS: _____

10. The director of buildings and grounds is actively involved in the budgetary process for operation of plant.

___ ___ ___

COMMENTS: _____

YES NO N/A

11. The district has a long range plan for the operation and maintenance of plant.

___ ___ ___

COMMENTS: _____

12. Adequate equipment, material and supplies are provided for an effective operation and maintenance program.

___ ___ ___

REFERENCE: CMPM 73–86

COMMENTS: _____

13. An inventory and maintenance record is kept on operation and maintenance equipment.

___ ___ ___

REFERENCE: CMPM 82–83

COMMENTS: _____

14. An inventory record is kept on materials and supplies utilized in the operation and maintenance of plant.

___ ___ ___

COMMENTS: _____

15. The operation and maintenance staff is trained in the upkeep of equipment.

___ ___ ___

COMMENTS: _____

YES NO N/A

16. The director of buildings and grounds reviews all maintenance requests and establishes a procedure to assign completion of tasks.

___ ___ ___

COMMENTS: _____

17. Procedures are developed to handle emergency situations in the operation and maintenance of the plant.

___ ___ ___

COMMENTS: _____

18. The district has a well planned disaster and severe weather plan.

___ ___ ___

COMMENTS: _____

19. The district maintains a policy for the use of the buildings and grounds by outside groups.

___ ___ ___

COMMENTS: _____

20. The district has a well planned preventive maintenance program for buildings, and grounds, and equipment.

___ ___ ___

COMMENTS: _____

PREVENTIVE MAINTENANCE

YES NO N/A

21. Air, water and oil filters as well as drive belts on HVAC equipment are inspected/cleaned or replaced on a scheduled basis.

___ ___ ___

COMMENTS: _____

22. Equipment is lubricated on a regular basis.

___ ___ ___

COMMENTS: _____

23. Accurate records of Preventive Maintenance functions are maintained.

___ ___ ___

COMMENTS: _____

24. Buildings including tunnels, pits, penthouses, storage areas, and manholes are visually inspected on a regular basis.

___ ___ ___

COMMENTS: _____

YES NO N/A

25. Grease traps in the kitchens are cleaned on a regular basis.

___ ___ ___

COMMENTS: _____

26. Grounds are checked for damaged or missing items daily.

___ ___ ___

COMMENTS: _____

27. A schedule is established for seal coating driveways and parking areas.

___ ___ ___

COMMENTS: _____

28. Doors are checked for free operation, proper closings, broken or missing parts as well as air infiltration on a regular basis.

___ ___ ___

COMMENTS: _____

29. Washers, seats and seals are replaced in lavatory facilities when necessary.

___ ___ ___

COMMENTS: _____

OPERATION AND MAINTENANCE OF PLANT (Cont...)

YES NO N/A

30. The free and full movement of all automatic and manual valves are checked regularly.

___ ___ ___

COMMENTS: _____

31. Plumbing is checked for inoperative pressure regulators, valves, meters and float assemblies as well as leaks on a regular basis.

___ ___ ___

COMMENTS: _____

32. Heating, cooling and fire prevention water lines are flushed annually.

___ ___ ___

COMMENTS: _____

33. The operation of all sump and sewage injection pumps are checked regularly.

___ ___ ___

COMMENTS: _____

34. Boiler hot and chilled water systems are treated.

___ ___ ___

COMMENTS: _____

YES NO N/A

35. All heating and cooling coils are checked for leaks and cleanliness on a regular basis.

___ ___ ___

COMMENTS: _____

36. Boilers and heat exchangers are inspected for proper operating limits, combustion, water level controls, leaking seals and tubes daily.

___ ___ ___

COMMENTS: _____

37. Heating oil system check valves, pressure regulators and filters are inspected for potential leaks daily.

___ ___ ___

COMMENTS: _____

38. Condensate pumps are checked for proper operation, float assembly and leaks on a regular basis.

___ ___ ___

COMMENTS: _____

39. Steam traps are replaced/rebuilt as necessary.

___ ___ ___

COMMENTS: _____

YES NO N/A

40. Fuel, water and oil tanks are monitored and inspected for possible leaks regularly.

___ ___ ___

COMMENTS: _____

41. Roofs and drains are inspected for blockages, damage and leaks monthly.

___ ___ ___

COMMENTS: _____

42. Roof top exhaust fans and ventilators are checked for mounting and proper operation.

___ ___ ___

COMMENTS: _____

43. Proper damper operations on unit ventilators, fresh-air intakes and large zone units are checked regularly.

___ ___ ___

COMMENTS: _____

44. HVAC controls including thermostats and zone valves are inspected regularly.

___ ___ ___

COMMENTS: _____

YES NO N/A

45. Air compressors are checked for pressure build up, faulty limit switches and leaks as necessary.

___ ___ ___

COMMENTS: _____

46. Air conditioning roof top units including cooling towers and chillers are checked for proper operation, pressures and leaks annually at start up.

___ ___ ___

COMMENTS: _____

47. Electrical wiring is inspected for exposed conductors, weak or inoperative breakers and signs of overheating on a scheduled basis.

___ ___ ___

COMMENTS: _____

48. Transformers and switch gear are checked for loose or burned connections, leaks and PCB contamination.

___ ___ ___

COMMENTS: _____

YES NO N/A

49. Time clocks for lights, boilers, and HVAC are checked daily.

___ ___ ___

COMMENTS: _____

50. Pull stations on your fire alarm system are checked weekly.

___ ___ ___

COMMENTS: _____

51. Emergency generator testing is completed for the circuitry on a monthly basis.

___ ___ ___

COMMENTS: _____

52. Fire extinguishers including the kitchen overhead system and the sprinkler system are inspected regularly.

___ ___ ___

COMMENTS: _____

53. Refrigerators, freezers and compressors are checked for proper operation limits, loose connections, and leaks.

___ ___ ___

COMMENTS: _____

	YES	NO	N/A
54. Swimming pool and filters are checked for proper operation, flow, chemical content and leaks daily.	___	___	___

COMMENTS: _____

XIV. PERSONNEL MANAGEMENT RECORDS

Maintaining adequate and appropriate records of all school entity activities involving personnel is essential to the development of an effective and efficient way to manage employees, to meet local policy requirements, and to adhere to statutory requirements as determined by state and federal agencies.

Local entity policies, along with state and federal mandates and regulations should include such elements as selection, retention and promotion; certification and/or job classification of employees; compensation and fringe benefit plans; training and evaluation records; seniority and tenure eligibility lists; and dismissal and appeal procedures.

The school business administrator, who is often responsible for this phase of personnel administration, can assist others within the district with similar responsibilities by assuring that the maintenance and retention of district records are given careful attention and meet all requirements.

PERSONNEL MANAGEMENT RECORDS

	YES	NO	N/A
1. The Board of School Directors has a written policy on employment procedures.	___	___	___

COMMENTS: _____

2. The Board of School Directors has a written policy on records management.	___	___	___

COMMENTS: _____

3. The entity's current and permanent personnel records are maintained in a secure and fireproof storage area.	___	___	___

COMMENTS: _____

4. Back-up files for automated or computer generated employee records are maintained.	___	___	___

COMMENTS: _____

5. The entity has a systematic program for the transfer or retirement of inactive personnel records.	___	___	___

COMMENTS: _____

YES NO N/A

6. Records are destroyed in compliance with the statute of limitations.

___ ___ ___

REFERENCE: SC 518

COMMENTS: _____

7. Supervisory and administrative staff compensation plans are approved by the Board of School Directors.

___ ___ ___

REFERENCE: SC 1164; Act 93 (1984)

COMMENTS: _____

8. Salaries for support staff are approved annually by the Board of School Directors and made part of the official minutes.

___ ___ ___

COMMENTS: _____

9. Fringe benefit programs are formally approved by the Board of School Directors and made part of the official minutes.

___ ___ ___

COMMENTS: _____

10. Job descriptions for support personnel are prepared and employees are aware of their responsibilities.

___ ___ ___

COMMENTS: _____

YES NO N/A

11. Seniority and tenure records are maintained and updated annually.

___ ___ ___

COMMENTS: _____

12. A current Form W–4 (Employee Withholding Exemption Certificate) is on file for each employee.

___ ___ ___

COMMENTS: _____

13. Signed authorizations by employees are on file for salary deductions other than for federal, state, and local taxes and retirement contributions.

___ ___ ___

COMMENTS: _____

14. Time reports which include overtime and compensatory time notations are used as a basis of certification of the payroll for classified staff.

___ ___ ___

REFERENCE: P.L. 99–150

COMMENTS: _____

15. An individual earnings record for the current fiscal year is maintained.

___ ___ ___

COMMENTS: _____

YES NO N/A

16. An historical employment record is maintained for each current employee

___ ___ ___

COMMENTS: _____

17. Employee records contain required information:

___ ___ ___

REFERENCE: Act 34 (1985); SC 1212; Act 159 (1984)

COMMENTS: _____

18. Documentation of employee dismissal proceedings are maintained as a part of the entity's permanent records.

___ ___ ___

COMMENTS: _____

XV. RISK MANAGEMENT

This self evaluation guide can be used by school business officials to evaluate and develop a comprehensive insurance program consistent with the applicable laws of Pennsylvania for their school district.

This comprehensive insurance program should be under the direct supervision of the school business official and be evaluated annually to assure that the school district is maintaining proper coverages.

RISK MANAGEMENT

LIABILITY COVERAGES

YES NO N/A

1. Comprehensive general liability coverage is carried by the school district and includes the the Board of School Directors.

REFERENCE: SC 774(b); SBA 3-3 ___ ___ ___

COMMENTS: _____

2. Comprehensive general liability includes the broad form CGL endorsement.

REFERENCE: SBA 3-3 ___ ___ ___

COMMENTS: _____

3. Personal injury liability coverage is provided.

REFERENCE: SBA 3-3 ___ ___ ___

COMMENTS: _____

4. School physicians, dentists and nurses contracted by the school district are covered for malpractice.

REFERENCE: SBA 3-3 ___ ___ ___

COMMENTS: _____

5. School employees and volunteers are included as additional named insureds under the comprehensive general liability policy.

REFERENCE: SBA 3-3 ___ ___ ___

COMMENTS: _____

YES NO N/A

6. Employed nurses and psychologists are covered for incidental malpractice while acting within the scope of their employment.

___ ___ ___

REFERENCE: SBA 3-3

COMMENTS: _____

7. An umbrella "excess" liability policy is carried.

___ ___ ___

REFERENCE: SBA 3-5

COMMENTS: _____

8. Coverage is extended to include all school property and all school sponsored activities and events within the United States, its territories or possessions or Canada.

___ ___ ___

REFERENCE: SBA 3-3

COMMENTS: _____

9. Product liability coverage is provided.

___ ___ ___

COMMENTS: _____

10. Coverage is provided for use of premises and equipment by other than school employees.

___ ___ ___

COMMENTS: _____

YES NO N/A

11. Fire legal liability coverage is provided.

___ ___ ___

REFERENCE: SBA 3-3

COMMENTS: _____

12. Groups leasing the school facilities are required to file certificates of liability insurance prior to the use of school facilities, with a minimum limit of $500,000.

___ ___ ___

COMMENTS: _____

13. Coverage for host liquor liability is provided.

___ ___ ___

REFERENCE: SBA 3-3

COMMENTS: _____

14. Premises medical payments coverage is provided for the general public only.

___ ___ ___

REFERENCE: SBA 3-3

COMMENTS: _____

15. Bodily injury and property damage liability coverages are provided.

___ ___ ___

REFERENCE: SBA 3-3

COMMENTS: _____

YES NO N/A

16. If elevators are present, elevator collision liability coverage is provided.

___ ___ ___

COMMENTS: _____

17. Contractors liability coverage is required for work performed by others while on school premises, and a Certificate of Insurance with a minimum limit of $1,000,000 is on file in the Business Office. The district is named as an additional insured.

___ ___ ___

COMMENTS: _____

18. School directors' errors and omissions liability is provided. Named insureds include board of school directors, all school employees and volunteers.

___ ___ ___

REFERENCE: SBA 3–4

COMMENTS: _____

FLEET AUTOMOBILE INSURANCE

19. Automobile liability coverages includes all licensed vehicles and complies with the Pa. Motor Vehicle Financial Responsibility Law of 1984, as amended.

___ ___ ___

REFERENCE: SBA 3–4

COMMENTS: _____

YES NO N/A

20. Coverage is provided for non–owned and hired car liability.

REFERENCE: SBA 3–4 ___ ___ ___

COMMENTS: _____

21. Basic first party benefits are provided as required.

REFERENCE: SBA 3–4 ___ ___ ___

COMMENTS: _____

22. Limits of automobile liability coverage are the same as general liability limits.

REFERENCE: SBA 3–4 ___ ___ ___

COMMENTS: _____

23. Underinsured and uninsured motorists coverage is provided with limits the same as automobile liability.

REFERENCE: SBA 3–4 ___ ___ ___

COMMENTS: _____

24. Comprehensive and collision coverage is carried on appropriate vehicles and the deductible is of sufficient amount.

REFERENCE: SBA 3–4 ___ ___ ___

COMMENTS: _____

CRIME INSURANCE

	YES	NO	N/A
25. All employees are covered by a blanket fidelity bond for fraudulent or dishonest acts.			
REFERENCE: SBA 3–4			
COMMENTS: _____			
26. Money and securities coverage on and off premises is provided.			
REFERENCE: SBA 3–4			
COMMENTS: _____			
27. Depositors forgery coverage for loss due to alteration or check forgery is provided.			
REFERENCE: SBA 3–4			
COMMENTS: _____			
28. All burglary and theft coverages carry appropriate deductible clauses.			
REFERENCE: SBA 3–4			
COMMENTS: _____			

BOILER AND MACHINERY INSURANCE

YES NO N/A

29. All boiler, any fired pressure vessel, any unfired vessel normally subject to vacuum or internal pressure, any refrigerating vessels and piping, or any piping and its accessory equipment is insured

___ ___ ___

REFERENCE: SBA 3–4

COMMENTS: _____

30. Annual inspections are made by a qualified inspector and a file maintained for each location.

___ ___ ___

REFERENCE: SBA 3–4

COMMENTS: _____

31. Certificates issued by the Department of Labor and Industry are currently displayed at each pressure vessel or boiler location.

___ ___ ___

REFERENCE: SBA 3–4

COMMENTS: _____

32. The policy is written in broad form and limits are compatible with liability coverages.

___ ___ ___

REFERENCE: SBA 3–4

COMMENTS: _____

33. Other mechanical or electrical machine or electrical apparatus used for generation, transmission or utilization of mechanical or electrical power is insured.

___ ___ ___

REFERENCE: SBA 3–4

COMMENTS: _____

YES NO N/A

34. Any transformer or electrical apparatus owned by a public utility company, which is used solely to supply electrical power to the premises of the insured is covered.

___ ___ ___

REFERENCE: SBA 3–4

COMMENTS: _____

35. Repair or replacement coverage is provided.

___ ___ ___

REFERENCE: SBA 3–4

COMMENTS: _____

36. An appropriate deductible is included.

___ ___ ___

COMMENTS: _____

INLAND MARINE INSURANCE

37. Provision is made for the reproduction of valuable papers.

___ ___ ___

REFERENCE: SBA 3–3

COMMENTS: _____

38. An "All Risk" policy is carried on school district property which is mobile in nature while intransit either on or off district property.

___ ___ ___

REFERENCE: SBA 3–3

COMMENTS: _____

YES NO N/A

39. The policy includes musical instruments, band uniforms, cameras, audio–visual equipment, computers, data processing equipment, landscaping equipment, lawn mowers, paintings, and other non–licensed equipment.

___ ___ ___

REFERENCE: SBA 3–3

COMMENTS: _____

40. The equipment is covered for the replacement cost of each item.

___ ___ ___

REFERENCE: SBA 3–3

COMMENTS: _____

41. An appropriate deductible is provided with the coverage.

___ ___ ___

REFERENCE: SBA 3–3

COMMENTS: _____

GARAGE KEEPER'S LEGAL LIABILITY INSURANCE

42. If an auto mechanic shop is operated, a garage keeper's liability policy is carried.

___ ___ ___

COMMENTS: _____

YES NO N/A

43. If there is such exposure, provision is made for coverage on fire and explosion, theft of auto, riot, civil commotion, malicious mischief and vandalism.

___ ___ ___

COMMENTS: _____

PROPERTY INSURANCE

44. Fire insurance is carried on all buildings and contents.

___ ___ ___

REFERENCE: SBA 3-1

COMMENTS: _____

45. Fire insurance coverage is of the "All Risk" type.

___ ___ ___

REFERENCE: SBA 3-2

COMMENTS: _____

46. There is an updated appraisal of buildings and contents done by an independent appraisal company.

___ ___ ___

REFERENCE: SBA 3-2

COMMENTS: _____

47. The statement of values on buildings and contents is updated annually and filed with the insurance company.

___ ___ ___

REFERENCE: SBA 3-2

COMMENTS: _____

YES NO N/A

48. The policy is written for a blanket amount equal to 90% of the values listed on the statement of values.

___ ___ ___

REFERENCE: SBA 3–2

COMMENTS: _____

49. An agreed amount endorsement has been added to eliminate the penalty of the co–insurance clause.

___ ___ ___

REFERENCE: SBA 3–2

COMMENTS: _____

50. An appropriate deductible applies to the fire insurance policy.

___ ___ ___

REFERENCE: SBA 3–2

COMMENTS: _____

51. Coverage is provided for extra expenses which might be incurred as a result of a loss.

___ ___ ___

REFERENCE: SBA 3–3

COMMENTS: _____

52. A builder's risk coverage is added to the property insurance to cover new buildings during construction.

___ ___ ___

REFERENCE: SBA 3–3

COMMENTS: _____

YES NO N/A

53. The contractor is named as an insured and appropriate certificates are issued.

___ ___ ___

REFERENCE: SBA 3-3

COMMENTS: _____

FIDELITY BONDS

54. Separate fidelity bonds are carried on all positions normally handling money and/or signing checks.

___ ___ ___

REFERENCE: SC 2122, 3077, 511, 431, 658, 683, 684, 686, 3030, 3031, 3032, 436, 912A; SBA 3-11

COMMENTS: _____

55. Bond limits are reviewed annually to be sure they are adequate.

___ ___ ___

COMMENTS: _____

56. All coverages are with companies of good financial strength and are licensed to do business in Pennsylvania.

___ ___ ___

COMMENTS: _____

57. Claims are maintained and reviewed on a current basis.

___ ___ ___

COMMENTS: _____

YES NO N/A

58. An insurance roster and/or schedule of coverages and expiration dates is maintained.

___ ___ ___

COMMENTS: _____

59. When appropriate, bidding practices are conducted for all insurance coverages.

___ ___ ___

COMMENTS: _____

60. The school district is named as an additional insured in a contractor's insurance policy for property damage and liability coverage. Certificates of insurance are on file in the Business Office.

___ ___ ___

COMMENTS: _____

LOSS CONTROL

61. A board policy establishing a safety review committee has been adopted

___ ___ ___

REFERENCE: SBA 3-15

COMMENTS: _____

YES NO N/A

62. A safety coordinator has been appointed by the Board of School Directors.

___ ___ ___

REFERENCE: SBA 3–15

COMMENTS: _____

63. The safety committee meets periodically to review accident reports.

___ ___ ___

REFERENCE: SBA 3–15

COMMENTS: _____

64. All work related injuries are reported to the Business Office for reporting and investigation.

___ ___ ___

REFERENCE: SBA 3–15

COMMENTS: _____

65. A program for periodic building inspections is in place and functioning.

___ ___ ___

REFERENCE: SBA 3–15

COMMENTS: _____

XVI. BOARD POLICIES AND ADMINISTRATIVE PROCEDURES

The Board of School Directors must communicate its goals and objectives to the management team in the form of written policy. The management team formulates written procedures to accomplish these expectations. As a key member of the management team, the school business administrator should be aware of this process. The following checklist should be used to determine if there exists in your school district a sound basis for the formulation and implementation of policy and procedure.

BOARD POLICIES AND ADMINISTRATIVE PROCEDURES

	YES	NO	N/A
1. Board meetings are advertised as required.			
REFERENCE: Act 84 (1986)	___	___	___
COMMENTS: _____			
2. The minutes of a public meeting are recorded in the appropriate format.			
REFERENCE: Act 84 (1986)	___	___	___
COMMENTS: _____			
3. Executive (closed) sessions are held only for legitimate purposes.			
REFERENCE: Act 84 (1986)	___	___	___
COMMENTS: _____			
4. The Board has identified goals and objectives and has formulated them into written policy.			
REFERENCE: SBA 17-1	___	___	___
COMMENTS: _____			
5. The Board has established a framework to create, revise, and evaluate approved policy.			
REFERENCE: SBA 17-2	___	___	___
COMMENTS: _____			

YES NO N/A

6. The Board adopts policy at a public meeting and records policy in the minutes of the meeting. ___ ___ ___

REFERENCE: SBA 17-2

COMMENTS: _____

7. Approved policies are consistent with applicable local, state, and federal laws. ___ ___ ___

COMMENTS: _____

8. Approved policies are consistent with the organizational structure of the school district. ___ ___ ___

REFERENCE: SBA 17-4

COMMENTS: _____

9. Approved policies are assigned a number and are arranged in a systematic manner. ___ ___ ___

REFERENCE: SBA 17-12

COMMENTS: _____

10. A written policy manual is maintained. ___ ___ ___

REFERENCE: SBA 17-12

COMMENTS: _____

	YES	NO	N/A
11. The policy manual is distributed to all board members and members of the management team.	___	___	___

REFERENCE: SBA 17–13

COMMENTS: _____

12. The policy manual contains all approved board policies.	___	___	___

REFERENCE: SBA 17–5

COMMENTS: _____

13. The policy manual is available at predesignated locations within the school district.	___	___	___

REFERENCE: SBA 17–14

COMMENTS: _____

14. A record is maintained of the location of policy manuals in order to facilitate the distribution of updates.	___	___	___

REFERENCE: SBA 17–14

COMMENTS: _____

15. The Board has charged the chief school administrator with the responsibility of creating sound administrative procedures.	___	___	___

COMMENTS: _____

YES NO N/A

16. The chief school administrator has developed a framework to create, revise and evaluate approved procedures.

___ ___ ___

COMMENTS: _____

17. A written procedures manual is maintained.

___ ___ ___

COMMENTS: _____

18. The chief school administrator has established a system to publish and distribute the procedures manual.

___ ___ ___

COMMENTS: _____

19. The procedures manual is distributed to appropriate members of the management team and staff.

___ ___ ___

COMMENTS: _____

20. The school business administrator has access to a written copy of the policy and procedures manuals.

___ ___ ___

REFERENCE: SBA 17-13

COMMENTS: _____

	YES	NO	N/A
21. The school business administrator is familiar with approved policies and procedures.	___	___	___

COMMENTS: _____

XVII. DATA PROCESSING

This topic of the self–evaluation manual is designed to give guidance in obtaining the use of a main–frame computer and some of the areas that should be addressed when doing so. The questions deal with the acquisition of or use of a computer, the hardware and the software considerations that must be given thorough study, as well as the staff requirements and the associated security problems.

This chapter deals only with main–frame computers, and does not address any of the questions associated with personal computers. It is our hope that these questions will cause you to be aware of some of the pitfalls that have befallen some of those who went this way before.

DATA PROCESSING

	YES	NO	N/A
1. Management has determined that a computer system is necessary to the operation of the school district.	___	___	___

COMMENTS: _____

2. Management has decided which applications are to be implemented on the computer system.	___	___	___

COMMENTS: _____

3. Priorities have been established for computer applications.	___	___	___

COMMENTS: _____

4. A request for proposal has been written and sent to all applicable vendors.	___	___	___

COMMENTS: _____

5. Funds have been committed to finance the purchase of computer equipment and software.	___	___	___

COMMENTS: _____

YES NO N/A

6. Software includes an internal security system.

___ ___ ___

COMMENTS: _____

7. The software allows for the recovery of data in case of a machine failure with a minimal loss of data.

___ ___ ___

COMMENTS: _____

8. The software has on-line capabilities and allows for multiple users.

___ ___ ___

COMMENTS: _____

9. The various software applications are interactive with each other.

___ ___ ___

COMMENTS: _____

10. The software provides for an audit trail.

___ ___ ___

COMMENTS: _____

	YES	NO	N/A
11. The software has complete documentation.	___	___	___

COMMENTS: _____

12. The software provides controls and edits for verifying the integrity of data.	___	___	___

COMMENTS: _____

13. The operating system as well as the application programs provides for password security.	___	___	___

COMMENTS: _____

14. Software has been evaluated to verify that it meets school district needs.	___	___	___

COMMENTS: _____

15. The source code is available for school district use in making changes and modifications.	___	___	___

COMMENTS: _____

	YES	NO	N/A
16. Qualified personnel are available to develop software.	___	___	___

COMMENTS: _____

17. The option of having an outside firm develop your software has been evaluated.	___	___	___

COMMENTS: _____

18. Software is developed within the time frames specified.	___	___	___

COMMENTS: _____

19. The purchase or leasing of a computer system has been evaluated.	___	___	___

COMMENTS: _____

20. The possibility of allowing time-sharing on the district's computer system has been considered.	___	___	___

COMMENTS: _____

YES NO N/A

21. The hardware supplier provides on-site maintenance.

___ ___ ___

COMMENTS: _____

22. Hardware maintenance is provided from a local office.

___ ___ ___

COMMENTS: _____

23. Hardware required provides for upgrading as needs increase without significant changes to operations.

___ ___ ___

COMMENTS: _____

24. Sufficient space has been provided for total data processing operations.

___ ___ ___

COMMENTS: _____

25. The need for environmental controls has been determined.

___ ___ ___

COMMENTS: _____

26. State contracts are considered when purchasing data processing equipment and supplies.

___ ___ ___

COMMENTS: _____

YES NO N/A

27. The computer room is secure against unauthorized entry.

___ ___ ___

COMMENTS: _____

28. The computer area is secure against vandalism.

___ ___ ___

COMMENTS: _____

29. An alarm system is installed in the computer room to notify the local authorities of an attempted entry.

___ ___ ___

COMMENTS: _____

30. A secure off-site area is available for storage of back-up media.

___ ___ ___

COMMENTS: _____

31. An appropriate fire protection system is installed in the computer site.

___ ___ ___

COMMENTS: _____

	YES	NO	N/A
32. A separate electrical service supply is provided for the data processing area.	___	___	___

COMMENTS: _____

33. Arrangements have been made with another computer installation for use as a back-up in emergencies.	___	___	___

COMMENTS: _____

34. Computer operators have been trained on the computer system and its peripherals.	___	___	___

COMMENTS: _____

35. A formal back-up procedure has been implemented.	___	___	___

COMMENTS: _____

36. Data entry clerks/computer operators have been cross-trained in the various applications.	___	___	___

COMMENTS: _____

	YES	NO	N/A
37. There are established procedures for acquiring data processing equipment.	___	___	___

COMMENTS: _____

38. There is a formal procedure for requesting information from the data processing department.	___	___	___

COMMENTS: _____

39. Source documents are stamped with identification of the operator and the date subsequent to data input.	___	___	___

COMMENTS: _____

40. There are clearly written instructions for preparing input documents.	___	___	___

COMMENTS: _____

41. Batch controls such as dollar amounts or item counts are maintained for all transactions.	___	___	___

COMMENTS: _____

	YES	NO	N/A
42. There is documentation for each application.	___	___	___

COMMENTS: _____

XVIII. RETENTION OF RECORDS

A well organized records management system permits easier record retrieval, saving both time and money, and may also reduce storage requirements. One of the key components of the system is that of record retention. Business administrators must be concerned with the legal requirements imposed by the School Code as well as federal, and state, and other governmental agencies. The need for access to records that are not required to be kept by law has increased dramatically in such areas as retirement, litigation, and construction records.

Chapter 5 of the SBA Series reviews the legal aspects of records retention and suggests the need for a comprehensive records retention program, including the establishment of a retention and disposition schedule. The questions which follow may be used to measure compliance with selected legal requirements, but they may also help you evaluate the larger picture of a records program to manage your district's records effectively and efficiently.

If you want to know more about the fundamentals of a records system and how to establish one, further information may be found in textbooks or office-related periodicals. One source which you may find helpful is Taking Control of Your Office Records: A Manager's Guide 1983, available from G.K. Hall & Co., 70 Lincoln Street, Boston, MA 02111.

RETENTION OF RECORDS

YES NO N/A

1. Individual(s) responsible for the maintenance and disposition of various classes of district records are designated.

___ ___ ___

REFERENCE: SC 443

COMMENTS: _____

2. Financial records are maintained for the period required by law.

___ ___ ___

REFERENCE: SC 518

COMMENTS: _____

3. The retention of records in excess of the minimum period is provided for when such records may be required in the future.

___ ___ ___

COMMENTS: _____

4. Requests from the public to view district records, and the release of payroll and personnel records information by an authorized person is provided for by policy. The law permits the custodian to adopt and enforce reasonable rules and regulations for access to records.

___ ___ ___

REFERENCE: Act 159 (1984); Act 212 (1957)

COMMENTS: _____

YES NO N/A

5. The photographing or microfilming of records is in accordance with the Municipal Records Act. This is required if kept in copied form only prior to the end of the minimum retention period or for records to be kept permanently. Refer to Guidelines for Microfilming Local Public Records, Pennsylvania Historical and Museum Commission, Division of Archives and Manuscripts, second printing in Jan. 1984.

___ ___ ___

REFERENCE: SC 518; P.L. 961

COMMENTS: _____

6. The disposing of original records scheduled for permanent retention, or prior to the end of the minimum retention period is provided for by administrative procedures, when such records are to be retained only in photographed or microfilm versions. (Written permission from the Historical and Museum Commission is required on disposal certification request forms).

___ ___ ___

COMMENTS: _____

7. The disposition of records after the required retention period is guided by policy, to prevent the disposal of important information and promote the disposition of useless records.

___ ___ ___

COMMENTS: _____

8. Records scheduled for retention are adequately protected against loss, such as storage in a fireproof area or the maintenance of duplicate or microfilmed copies.

___ ___ ___

COMMENTS: _____

YES NO N/A

9. The district's filing system provides for the retrieval of records in an efficient and effective manner, with ease of access in direct relation to the perceived demand.

___ ___ ___

COMMENTS: _____

10. An inventory list of records is maintained specifying the location, storage format and retention period of each type of record.

___ ___ ___

COMMENTS: _____

11. Payroll and personnel records are kept as required by federal laws and regulations .

___ ___ ___

REFERENCE: SBA 5–4

COMMENTS: _____